

The purpose of User Agreements is to confirm which households will or will not be connected to CDBG funded water and/or sewer improvements, and which households are LMI. They also confirm the owner or renter status of each household. The number of LMI User Agreements signed must be equal to or exceed the number of beneficiaries claimed in the Grant Proposal. LMI households who sign written declination statements to accept water or sewer services are counted as direct beneficiaries at Closeout as the service was made available to them. However, no more than 10% of proposed beneficiaries may decline connection.

User Agreements are not required if a locality has a mandatory hookup requirement, **and a documentable history of its enforcement**. In any case, LMI-occupied units may not be charged a connection or tap fee, and must be physically connected to the system free of charge.

Grantees have three (3) options for completing user agreements. These options are described below.

Option One

Given that substantial household information has already been gathered through the initial survey, the grantee may choose to simply build on that information. This could be done by using one (1) of the samples listed under this option. These samples assume that each project area household completed a survey that can be connected to its original household. Thus, option one contains the following samples:

1. Sample A is for use with LMI owner-occupants. Self-certified (signed) confirmation that the survey information given was correct. Also provides temporary construction easement for installation of a connection.
2. Sample B is for use with owner of LMI-occupied rental property. Signed by owner, provides temporary construction easement for installation of a connection. **Must be accompanied by User Agreement Sample C.**
3. Sample C is for use with LMI renter. Provides self-certification that income information provided in the survey was correct.
4. Sample D is for use with non-LMI owner-occupants *or* non-LMI renter occupied property. Confirms who will be responsible for paying connection fees, etc., and provides temporary construction easement for installation of a connection.

The expectation with use of this method is that original surveys would then be matched to the appropriate signed statements. If a 100% survey was not performed, survey information *and* user agreement information *must* be obtained from those units that did not participate in the initial survey.

Option 2

In this option, previous survey information is not considered. Each unit in the project area is required to complete a full User Agreement. Please see User Agreement Sample E. Please modify this sample as needed.

Option 3

Some Grantees may have included information on their initial surveys that would allow the surveys to also serve as User Agreements. To qualify, your survey must have been a 100% survey with 100% response, and included household size and income, the approximate minimum monthly charge for the new or improved service(s), an opportunity to decline the service(s), and the signature of a responsible adult in the household. If you believe that your surveys may also serve as user agreements, please bring this to the attention of your Community Representative. **He or she will do a 100% review of surveys, matching survey forms to houses both on a map and in the field. If your Community Representative concurs, and no additional information is needed, a waiver of this requirement will be provided by the Associate Director. Please note that it is extremely rare for surveys to be entirely sufficient to serve as User Agreements.**

Grantees Receiving Rural Development Funds

While CDBG requirements forbid the payment of connection fees by LMI households, Rural Development (RD) has a policy that requires payment of connection fees by every household. To resolve this conflict in policies DHCD and RD have agreed to have LMI households pay a \$50 “connection fee.” However, this fee paid by LMI households should be treated by the Grantee as a pre-payment of \$50 toward the first \$50 of water or sewer to be used when the system goes on line. Once this “line of credit” is exhausted the LMI customer then begins paying for all water or sewer use thereafter the same as all non-LMI users.



Call your Community Representative for a sample user agreement for this situation.

FOR USE WITH LMI OWNER-OCCUPANT (SAMPLE A)

STATEMENT OF PARTICIPATION AND AUTHORIZATION

Property Address: _____

Property Owner: _____

Property Resident: _____

1. I certify by my signature herein, that the household income information I submitted by survey dated _____ is true and accurate.
2. I understand that if I participate in the *(Project Name)* by hooking onto the system before the *(Grantee's Name)* will install a service line connecting this house to the *(water or sewerage)* system, the cost of which will be paid by the *(Grantee's Name)*.
3. I further understand that if I choose to hook onto the *(water or sewerage)* system after the deadline, said hook up fees and service line costs will be borne by me and not the *(Grantee's Name)*.
4. Therefore, I hereby authorize the *(Grantee's Name)* to connect this house to the *(water or sewerage)* system including the construction of a service line from the house to the collector line.
5. I also hereby grant permission to the *(Grantee's Name)*'s Construction Contractor and other agents, including representatives of the Virginia Department of Housing and Community Development to enter my property for the purposes of constructing and inspecting said construction of said *(water or sewerage)* service line work.
6. Said permission is predicated on the basis that the Contractor will restore my property to a condition equal to or better than when the work commenced.
7. Any questions or concerns regarding the project will be directed to the *(Grantee's Name)*'s, *(Name of Office)*, and *(Phone Number)*.

Owner's Signature: _____

Date: _____

Owner's Signature: _____

Date: _____

Witness: _____

Date: _____

**FOR USE WITH OWNER OF LMI-OCCUPIED
RENTAL PROPERTY (SAMPLE B)**

STATEMENT OF PARTICIPATION AND AUTHORIZATION

Property Address: _____

Property Owner: _____

Property Resident: _____

1. I understand that if I participate in the *(Project Name)* by hooking the above referenced property occupied by a LMI household onto the system before *(Date)*, the *(Grantee's Name)* will install a service line connecting this house to the *(water or sewerage)* system, the cost of which will be paid by the *(Grantee's Name)*.
2. I further understand that if I choose to hook this property onto the *(water or sewerage)* system after the deadline, said service line costs will be borne by me and not the *(Grantee's Name)*.
3. Therefore, I hereby authorize the *(Grantee's Name)* to connect this property to the *(water or sewerage)* system including the construction of a service line from the house to the collector line.

If the *(Grantee's Name)* is providing indoor plumbing I/we hereby agree to enter into a contract that the house will be rented to LMI household for five years at the current rent plus any increases for taxes and insurance. All future tenants will pay the same rent but no more than 35% of their gross income.

4. I also hereby grant permission to the *(Grantee's Name)*'s Construction Contractor and other agents, including representatives of the Virginia Department of Housing and Community Development to enter my property for the purposes of constructing and inspecting said construction of said *(water or sewerage)* service line work.
5. Said permission is predicated on the basis that the Contractor will restore my property to a condition equal to or better than when the work commenced.
6. Any questions or concerns regarding the project will be directed to the *(Grantee's Name)*'s, *(Name of Office)*, and *(Phone Number)*.

Owner's Signature: _____

Date: _____

Owner's Signature: _____

Date: _____

Witness: _____

Date: _____

FOR USE WITH LMI RENTER (SAMPLE C)

Statement Of Participation And Authorization

Property Address: _____

Property Owner: _____

Property Resident: _____

I certify by my signature herein, that the household income information I submitted by survey dated _____ is true and accurate.

Renter's Signature: _____

Date: _____

Renter's Signature: _____

Date: _____

Witness: _____

Date: _____

**FOR USE WITH NON-LMI OWNER-OCCUPANTS
OR NON-LMI RENTER OCCUPIED PROPERTY (SAMPLE D)**

Statement Of Participation And Authorization

Property Address: _____

Property Owner: _____

Property Resident: _____

1. I understand that if I participate in the *(Project Name)* Project by hooking onto the system before *(Date)*, the *(Grantee's Name)* will install a service line connecting this house to the *(water or sewerage)* system, the cost of which will be paid by the *(Grantee's Name)*.
2. I further understand that if I choose to hook onto the *(water or sewerage)* system after the deadline, said hook up fees and service line costs will be borne by me and not the *(Grantee's Name)*.
3. Therefore, I hereby authorize the *(Grantee's Name)* to connect this house to the *(water or sewerage)* system including the construction of a service line from the house to the collector line.
4. I also hereby grant permission to the *(Grantee's Name)*'s Construction Contractor and other agents, including representatives of the Virginia Department of Housing and Community Development to enter my property for the purposes of constructing and inspecting said construction of said *(water or sewerage)* service line work.
5. Said permission is predicated on the basis that the Contractor will restore my property to a condition equal to or better than when the work commenced.
6. Any questions or concerns regarding the project will be directed to the *(Grantee's Name)*'s, *(Name of Office)*, and *(Phone Number)*.

Owner's Signature: _____

Date: _____

Owner's Signature: _____

Date: _____

Witness: _____

Date: _____

SERVICE USER AGREEMENT (SAMPLE E)

The *(Grantee's Name)* has been awarded a Community Improvement Grant to provide assistance to your neighborhood. Under this grant, the following facilities will be provided free of charge to those households which meet income criteria established by the U. S. Department of Housing and Urban Development, and you will be billed for a minimum monthly fee. You will then be a customer of the *(Grantee or Locality's service authority)*.

Service	Minimum Monthly Fee
Water	\$
Sewer	\$
Complete indoor plumbing	NONE

(Grantee should include only those services included in the grant)

Please indicate below whether or not you wish to have these service(s) provided:

- ☐ Yes, I accept a *(description of services provided)*. I understand that I will receive a monthly bill for the service(s).
- ☐ No, I do not accept *(description of services provided)*.

OCCUPANT: To confirm eligibility for a free hookup, I certify by my signature below that my household consists of ____ persons as of this date, and that my household gross income in 200__ was \$_____. This is subject to verification by *(Locality)* prior to construction.

IMPORTANT: If you are renting, what is the cost of your monthly rent **plus** utilities? \$_____. This agreement must be signed by the OWNER of the house.

OWNER: By my signature below, I, as the owner of this property, authorize the *(Grantee's Name)* to connect this house to the *(water or sewerage)* system including construction of a service line from the house to the collector line. I also grant permission to the *(Grantee's Name)*'s Construction Contractor and other agents, including representatives of the Virginia Department of Housing and Community Development to enter my property for the purpose of constructing and inspecting said construction of said *(water or sewerage)* service line work. This permission is predicated on the basis that the Contractor will restore my property to a condition equal to or better than when the work commenced. If the work to be performed is only for construction of a *(water or sewerage)* service line, no additional documentation of my authorization is necessary. If the work to be performed includes construction of a bathroom or other indoor plumbing facilities, my signature on an additional contract will be required prior to the commencement of work.

WARNING: Section 1001 of Title 18 of the U.S. Code makes it a criminal offense to make willful false statements or administer to any Department or Agency of the U.S. as to any matter within its jurisdiction.

Occupant

Owner (if different)

Name_____

Name_____

Signature_____

Signature_____

Name_____

Name_____

Signature_____

Signature_____

Address_____

Address_____

Date_____

Date_____

Please return to _____

by _____

Before an industry is assisted, the industry and Grantee must make the following commitments:

- Commitment by the industry to create or retain a specific number of jobs, per the VCDBG Program Design and as identified in the Grant Proposal;
- Commitment by the industry to create or retain jobs that are available to or held by a majority (at least 51%) of LMI persons as defined by HUD and as identified in the Grant Proposal;
- Appropriate industry investment, per the VCDBG Program Design and as identified in the Grant Proposal; and
- Appropriate local investment, per the VCDBG Program Design and as identified in the Grant Proposal.

Commitments with regard to industry financial investment, job creation and the creation of jobs that are at least 51% LMI must be secured by a legally enforceable contract (Industry Agreement) executed by the Grantee and the Industry. The Grantee will sign an agreement with DHCD reflecting these commitments and reflecting the Grantee's level of financial involvement.

All industries which will benefit from the proposed CDBG improvements and will create jobs must be included in the project and execute an Industrial Agreement.

Industry Commitment to Create a Specific Number of Jobs

The Industry must commit to the creation of a specific number of jobs as indicated in the Community Development Block Grant proposal submitted to DHCD. This commitment is made through the execution of the Industry Agreement. The determination of how these jobs are counted falls under DHCD and HUD regulations. The following summarizes the requirements:

- **New Jobs** are defined as those positions that are created as a result of:
 - The business expansion that necessitates CDBG assistance—positions created above the numbers that were on staff at the time of the proposed expansion; or
 - The business location that necessitates CDBG assistance—a new industry with new positions locating at the assisted site, none of which have been transferred from another Virginia jurisdiction.

- **Retained jobs**—Equals the total number of permanent, full-time equivalent positions required for the business to maintain operations once the project has been completed. The Grantee and the Industry must document that these positions would have been lost without the infusion of CDBG funds.
- **Part-time jobs** must be converted to full-time equivalents. Two part-time positions equal one full-time equivalent. One full-time equivalent position equals 40 hours per week.
- **Employment Assessment**—the Grantee, in coordination with the assisted business, must supply to DHCD:
 - A listing of the number and type of jobs to be created as a result of the CDBG funded improvement;
 - The number of jobs employed by the industry at the assisted site prior to CDBG funding; and
 - Should the Grantee be aware of other industries that may locate as a result of the CDBG funded improvement, it must include the positions created by this industry in the assessment.
- All jobs must be created within two (2) year of the date of completion of the private investment. Private investment must be completed within two (2) years of the commencement date of the CDBG Grant Agreement.
- At least 90% of all jobs considered “new” for the purposes of the CDBG Grant Agreement must pay at least 1.5 times the current minimum wage and be covered by a company-funded employment benefits package, including medical insurance.

Industry Investment Requirements

CDBG economic development projects require that the assisted industry make a financial investment (see VCDBG Program Design for financial requirements). This investment is inextricably tied to the number of positions to be created. Therefore, only investment in facilities and equipment contributing toward the employment goals for which the project was funded will be counted.

The type and scope of the private investment must justify the need for the type and scope of the CDBG financed improvements.

The following investments are typically accepted by DHCD as private leverage in CDBG Economic Development Projects:

- Land: site for new or expanded facilities where jobs will be located;
- Expansion of facility or construction of new facility;
- Production equipment; and

- Privately funded infrastructure improvements.

The following items are not recognized by DHCD as private investment that will count towards the total required leverage amount:

- Inventory;
- Supplies;
- Personnel; and
- Working Capital.

Private investment must be budgeted and tracked by its applicable activity on the Grantee's approved CIG budget. Private investment utilized for activities for which grant funds are used must be expended at least in proportion to grant funds and must be fully expended before the final drawdown of grant funds for this activity.

Timing of the investment should reflect the dates submitted in the Community Development Block Grant proposal and be complete within three years after the start of construction of the CDBG project. Investments made prior to these dates will not count towards the total committed private leverage as per the VCDBG Program Design.

Documentation of Investment

All private expenditures must be documented by one of two methods:

1. An Independent Public Accountant's signed statement attesting that all agreed upon private expenditures have been made on the project for eligible activities; OR
2. Submission by Grantee of copies of source documents in the form of contracts, invoices, and cancelled checks documenting that full investment was made on the project for approved activities.

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MODEL AGREEMENT FOR INDUSTRIAL DEVELOPMENT PROJECTS FUNDED UNDER COMMUNITY ECONOMIC DEVELOPMENT FUND (NON-COMPETITIVE) GRANTS

This AGREEMENT, made this ____ day of _____, 20__, between the (Grantee), a (legal term for Town/City/County) existing under the laws of the Commonwealth of Virginia, hereinafter referred to as "(Grantee)" and (Industry's Name), a corporation existing under the laws of the Commonwealth of Virginia, hereinafter referred to as "(Industry)".

WITNESSETH:

THAT for and in consideration of the mutual covenants and agreements herein contained, the said parties do agree as follows:

1. The parties recognize that this AGREEMENT is contingent upon the continued existence of a CDBG grant offer of \$(Amount of Grant Offer) to (Grantee). Using these grant funds, the Grantee will provide the following, to be made available to (Industry) at (Location), hereinafter referred to as "(Site)":
 - a. _____
 - b. _____
 - c. _____
2. (Industry) certifies that there are no legal or financial impediments which would prevent or delay the investment and job creation and attaches as a part of this agreement a summary setting forth the following information:
 - a. (Industry) currently employs _____ persons at the _____ project site to be assisted by CDBG funds.
 - b. (Industry) currently employs a total of _____ persons at the (Name) manufacturing facilities in _____ Virginia (also reference any other facilities located in Virginia) a breakdown of these jobs by type (number and classification) is included herein as Attachment 1.
 - c. (Industry) intends to create a total of _____ full-time jobs at the _____ project site of these _____ will be considered _____ full-time jobs _____ will be _____ part-time jobs. A breakdown of these jobs by type (classification) and time frame for creation is included here in as Attachment 2.

- d. (Industry) plans concerning for transfer and or relocation of jobs from (named) facilities located within the Commonwealth of Virginia are set forth herein in the attached Business Plan as Attachment 3.
3. (Industry) will locate upon the premises a (type of facility) facility creating or retaining approximately (number) jobs. At least fifty-one percent (51%) of all jobs created will be LMI jobs, as defined herein. Employment created will not duplicate existing employment and job creation will occur within two years of the date of completion of the private investment. Additionally, the documentation of job creation, including jobs to LMI persons, will not conclude until the completion of the CDBG-funded construction activity and the achievement of the total job creation and at least fifty-one percent (51%) LMI benefit.
4. (Industry) will take affirmative steps to employ low- and moderate-income persons, (defined as persons whose annual **family income** prior to employment is lower than 80% of the median income for the area). Both the family size and income of the entire family will be considered. The U.S. Department of Housing and Urban Development's Section 8 Income Limits by family size will be used to determine whether the LMI standard has been met.
- a. To fulfill the LMI job requirements, jobs must either be: actually taken by (or retained by) LMI persons, OR jobs must be available to LMI persons.

In order to be considered "available to," the following conditions must be in place:

- i. special skills that can only be acquired with substantial training or work experience or education beyond high school are not a prerequisite to fill such jobs, OR this business nevertheless agrees to hire unqualified persons and provide them training; AND
- ii. the local government or this assisted business take actions that would ensure that LMI persons receive first consideration for filling such jobs.

First consideration means that this business will give objective consideration to the employment of LMI persons. To demonstrate that first consideration was given, this business will consider referrals as the same source from which to hire.

Referrals are made from either the Grantee or the local Virginia Employment Commission ("VEC") that agrees to refer individuals who certify that they are LMI person based on HUD's Section 8 Income Limits and considering both family and income size. AGENCIES MAKING REFERRALS MUST MAINTAIN THE DOCUMENTATION THEY USED FOR VERIFICATION. Additionally, any person referred from the JOB TRAINING PARTNERSHIP ACT (JTPA) programs will be accepted as LMI

because of the known income restrictions of that program, except for the Dislocated Workers Program.

- b. Any training programs specified in the locality's grant proposal must be initiated prior to or concurrent with start-up of production. Documentation of training efforts and information concerning individuals enrolled in training programs MUST be kept by the business and the locality.
5. (The Grantee or VEC) will maintain documentation on both the persons who apply and those who are employed by the following characteristics: a) gender, b) head of household, c) elderly, d) handicapped, and e) racial/ ethnic status (Hispanic, White, Black/African American, Asian, American Indian/Alaskan Native, Native Hawaiian/Other Pacific Islander, American Indian/Alaskan Native and White, Asian and White, Black/African American and White, American Indian/Alaskan Native and Black/African American and Other Multi-Racial).
6. (Industry) will submit documentation of the number and names of all of those employed to the (Grantee) at least every three (3) months from the start of operations for a period of three (3) years or until the (Grantee) has received written approval from the Virginia Department of Housing & Community Development to terminate submission of documentation.
7. (Industry) will invest not less than (Amount) for machinery, equipment and other physical improvements at THE SITE within three years from the start of construction. This investment will be verified by an audit provided by (Industry) and prepared by an Independent Public Accountant. This investment will occur within 2 years of the commencement date of the CDBG contract between DHCD and the locality.
8. (Industry) will, in conformance with Virginia Department of Housing and Community Development guidelines, pay at least 90% of all employees a post-probationary wage equal to 1.5 times the federal minimum wage and provide comprehensive benefits, including basic medical coverage and insurance, to each employee at no additional cost. The probationary period may not exceed six months. At the signing of this agreement, the current minimum wage is \$_____/hour.
9. (Industry) agrees to provide to (Grantee), and to officials of the Virginia Department of Housing and Community Development and the U. S. Department of Housing and Urban Development, reasonable access to its facilities to substantiate the employment and investment committed by this agreement and to provide access to pertinent records documenting jobs held by or made available to low- and moderate-income persons.

SANCTIONS

10. Upon signing of this AGREEMENT, (Industry) agrees that upon failure to honor its commitment at any time to locate on THE SITE, once local or grant funds have been expended on project improvements agreed to herein, the Industry will repay in full all local or grant funds already expended to the locality.
11. Should the Industry fail to create XX new positions and fail to make at least 51% of all jobs created available to low-and moderate-income individuals within two years of the date of completion of the private investment, the Industry agrees that it will repay in full the entire amount of the grant assistance expended to the (Grantee).
12. Should the Industry fail to achieve the performance regarding jobs and investment outlined herein after location at THE SITE, the industry is required to provide detailed documentation proving that a good faith effort has been made to achieve specified benefits. (Grantee) and the Virginia Department of Housing & Community Development reserve the right in such case to require repayment of all or a portion of the grant funds. Notwithstanding a good faith effort on the part of the industry, failure to employ at least 51% low- and moderate-income persons or make jobs available to at least 51% low - and moderate-income persons will result in the repayment of the entire amount of grant assistance provided by the locality and the Virginia Department of Housing & Community Development.

WITNESS the following signature and seals.

(*Signatures must be notarized.)

(Grantee)

(Seal)

(Industry)

(Seal)

Commonwealth of Virginia, County/City of _____. This day
personally appeared before me (Grantee Representative) and (Industry Representative)
and acknowledged their signatures to the foregoing agreement. Given under my hand
this _____ day of _____, 20___. My Commission Expires:

(Seal)

(Notary Public)

PLEASE NOTE:

THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT MUST REVIEW AND APPROVE AGREEMENTS BETWEEN THE GRANTEE AND THE INDUSTRY, THEREFORE, SUCH DOCUMENTS SHOULD BE SUBMITTED TO THE DEPARTMENT WHILE THEY ARE STILL IN FINAL DRAFT FORM.

INDUSTRY AGREEMENTS BETWEEN THE LOCALITY AND THE BUSINESS MUST BE EXECUTED BEFORE DHCD WILL EXECUTE OUR GRANT AGREEMENT WITH THE LOCALITY.

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Project Management Plan

One of the most important Pre-Contract Activities is the development of a comprehensive and practical Project Management Plan. It lets the Project Management Team know where the Team is going and how it will get there by stipulating the roles and responsibilities of all the individuals involved in the project and sets forth when and how all activities will be implemented.

The Plan must include *at least* the following components:

- The identity, roles and responsibilities of all persons involved in the implementation of the project;
- The identity of target dates for completion of key tasks;
- The method by which the chief executive and grant administrator will oversee and monitor all aspects of the project to assure timely and effective implementation;
- The identity of specific project benchmarks by which the administration and implementation of the project will be tracked and analyzed. Benchmarks should be specific dates by which tasks and subtasks will be completed;
- The method for design and construction contract administration including surveying and additional engineering, plan review, bidding, change order approval, and local government inspection and oversight;
- An identification of potential problems and complexities inherent in the project, and an analysis of how these will be anticipated and mitigated;
- The method by which local government officials, including the chief administrator of the locality, will be kept informed of the status of the project;
- The process for review, approval and payment of invoices related to all project expenditures; and
- A timetable for expenditure of administrative funds based on benchmark accomplishments.

The Grantee should recognize that different kinds of projects will require that different elements be included in the Plan. For example, all housing projects will need to address the

role of the Housing Rehabilitation Oversight Board and industrial job creation projects will need to address the timing and completion of the private investment.

Steps in Completing the Plan

The Project Management Plan must be developed with the direct input of all involved individuals. Each person with task responsibilities must recognize and accept his or her part and its relationship to the timely and successful completion of the project. To facilitate this, the following steps must be a part of the development of the Plan:

First Project Management Team Meeting

The Team's first meeting will be a Facilitated Management Session (FMS). It *must* be attended by all persons who have a vested interest in the project and/or have a role in the successful completion of the project so their *direct* input can be obtained. At the FMS, a facilitator will assist the Team in identifying at least the following three items:

- Tasks to be completed so that the project activities can be completed;
- Assignment of responsibility (responsibility charting) to one individual for each task that is identified and the assignment of a support individual for each task (responsibility may not be shared by two individuals); and
- Sequencing and timing of the completion of tasks so that the project can be completed within the framework of the CDBG Grant Agreement.

It is sometimes necessary to schedule a second meeting to ensure that all items have been adequately covered and to ensure that the appropriate individuals are familiar with the Plan. Once all of the information has been gathered, a Plan is drafted and submitted to DHCD for review and approval.

Draft Plan Circulated

The Draft Plan should be circulated to all Project Management Team members to ensure that the Plan reflects the input of individuals who will be responsible for completing tasks. Once it does, the Plan can be submitted to DHCD for review and concurrence.

DHCD's Concurrence of Plan

Upon receipt of the Plan, DHCD will review it for sufficiency and completeness. Any questions regarding the Plan will be raised by the Community Representative and must be answered by the Grantee to ensure that the Plan addresses all issues.

Execution of Plan

After all Project Management Team members have acknowledged that the Plan is sufficient, accurate and reflects their commitment to complete tasks by a certain time, the Plan must be signed *at least* by the Chief Administrative Official, the Grant Administrator and the Community Representative. Once the Plan is executed, copies should be distributed to all members of the Project Management Team.

Alternative Plan Development Process

In certain very limited projects involving an established Project Management Team with a record of successful, timely project completion, an abbreviated process and Project Management Plan may be acceptable. This matter must be negotiated with your Community Representative.

Revisions to the Plan

The Project Management Plan is a living document and an integral part of the grant management process. As such, the Project Management Team is expected to review the plan regularly and revised it as necessary. Typically, it will need to be revised under two scenarios:

- The timeline needs to be revised to reflect changes in completion dates. In this case, the revised timeline should show *both* the original completion date and the revised completion date. Amending the Plan on a regular basis is a nonproductive use of everybody's time so the Team should take the time to develop realistic completion dates from the start; *or*
- To support a request to amend the CDBG Grant Agreement. In this case, the revised Plan must identify how the Grantee will complete its project by the proposed deadline. Note that this requires more than simply a reassignment of milestone dates. It requires an explanation of how individuals on the Project Management Team will *do things differently* to achieve the required outcome by the new deadline. If there has been a critical issue that has delayed the project, the revised Plan must also identify the new, concrete approach being taken to overcome the critical issue.

Because the Project Management Plan is an official contract document, all revisions must be reviewed and approved by DHCD.

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Developing the Plan

During the Pre-Contract Activities period, DHCD requires that a Staffing and Operations Plan be developed along with any necessary agreements with service providers. It must be approved by DHCD. The plan should be tailored to the needs of the project, and therefore DHCD does not provide a model Plan. However, there are a number of items to be considered and several DHCD requirements that must be followed. These requirements are provided immediately below:

Staffing and Operations Plan Requirements

The Grantee must submit a Five-Year Staffing and Operations Plan. The plan is the means for implementing an effective transition from the grant acquisition and construction phases of the project to the facility operation phase. It is critical because CIG funds *cannot* be used to operate the facility.

Two concerns underlie this requirement. First, the Grantee must demonstrate that the required benefits will be provided to the targeted populations in order to substantiate the claim of benefit and eligibility for CDBG funding. Second, any fees that are to be charged to beneficiaries must be substantiated as “reasonable,” that is affordable to LMI persons, and sufficient in terms of the projected income and expenses of the facility.

The plan should be a refinement and finalization of the information provided in the application for funding, documenting the sustainability of the project. Its operations section must include:

- Identification of the owner and, if different, operator of the facility;
- Names, titles and addresses for the Board of Directors or the Executive Committee of the entity operating the facility and the projected Facility Director;
- A copy of the proposed lease or deed for the property;
- Copies of the permits to occupy and operate from all of the required agencies and authorities or their requirements and applications and status report of each outstanding permit;
- Information about the facility’s equipment, materials and supplies necessary to provide the services;
- Financial information including:

- A budget for the first year of operating the facility and delivering the service;
- Projected revenue and expenditures for each of the next five (5) years, including a description of the types and levels of fees to be charged to beneficiaries (see below);
- Description of how program income will be used (see below);
- Facility's resources and funding sources;
- Plans to address any operating revenue shortfalls;
- A moving-in, equipping, and start-up plan and schedule; and
- If the Grantee will not be managing the facility, a description of the method by which the locality will provide oversight on the continued eligible use and maintenance of the facility.

The plan's staffing section must address:

- Identification of each service provider;
- A brief description of all services to be provided by each provider, including space needs and scheduling;
- Identification of the clientele to be served by each provider;
- Description of staffing levels per type of position;
- Names, titles and addresses for the Board of Directors or the Executive Committee of the entity operating the program and the Program Director; and
- 501(c)3 approval for each non-profit entity that will provide services.

Types and Levels of Fees Charged for Services Provided

Affordable service fees may be charged to LMI households for the use of the facility but access fees (fees not related to actual services), which will have the effect of precluding LMI persons from using the facility, are not permitted

Program Income Disposition

Any fees earned in excess of expenses will be considered Program Income. Service providers must provide an annual accounting report within four (4) months of the close of its financial fiscal year to the Grantee. Any program income must be turned over to the Grantee along with this report. The funds must be used to provide benefits to low-to-moderate income families using the facility. Any rent collected will also be considered Program Income.

Agreements with Service Providers

All agreements pertaining to the provision of services to beneficiaries must be completed, reviewed by DHCD and executed according to a negotiated schedule, usually specified during the Contract Negotiations Meeting. At a minimum, such agreements must ensure that services are provided in a manner that achieves a measurable, positive change in the persons who use the facility. They must include the following:

- Description of types of services to be provided and the number, extent and identity of clients served;
- Identification of who will be responsible for the hiring, training, paying and supervising of all staff;
- Identification of who will be responsible for providing equipment and furnishings;
- Identification of who will be responsible for utilities and other maintenance costs;
- Inventory requirements;
- Insurance requirements;
- “Hold harmless” clause for the Grantee;
- Documentation requirements for services provided (see below);
- Types and levels of fees charged for services provided;
- Whether or not rent will be charged for use of the facility;
- Program income disposition; and
- Retention of records requirements.



Call your DHCD Community Representative if you would like samples of agreements.

Documentation Requirements for Services Provided

Demographic data must be kept for all persons who are applicants for, participants in, or beneficiaries of the program. These persons must be identifiable by name, residence, income status, race, ethnicity, age, sex, national origin, disability status, and the nature of the benefit. This information must be maintained by the Grantee. If the Grantee is not providing the services directly, the service provider(s) must submit this information to the Grantee at least annually in a format consistent with DHCD requirements.

Beneficiaries' status as LMI persons or protected populations must be documented through referrals, verified client income/intake forms, police reports (domestic violence), and other records developed and maintained by the facility for this purpose.

Data must be also kept on achievement of outcomes and benefits as outlined in the CDBG Grant Agreement.

All records relating to the project must be maintained for a period of five (5) years from Final Closeout of the CDBG Grant Agreement and shall be available during regular business hours for inspection and audit.

BLIGHT IDENTIFICATION AND REMOVAL OR REMEDIATION PLAN

Developing the Plan

When CDBG funds are used for the elimination of slums and blight, **all blighting influences within the designated revitalization area must be addressed by the project.** If the cost of eliminating blight is beyond what was originally anticipated, the Grantee will be required to provide the resources to eliminate the blight as defined in its CDBG Grant Agreement with DHCD.

During the Pre-Contract Activities period, DHCD requires that a Blight Identification and Removal or Remediation Plan be created and adopted by the Grantee. It must be approved by DHCD. The plan should be tailored to the needs of the project, and therefore DHCD does not provide a model Plan. However, there are a number of items to be considered and several DHCD requirements that must be followed. These requirements are provided immediately below.

Plan Requirements

The following requirement must be incorporated into the Plan:

1. A clearly defined revitalization area: The Grantee must designate an area through creation of a revitalization area map with clearly defined boundaries where blight removal will be targeted;
2. Blight Identification: An inventory of all blighting influences must be taken. It must identify all blighted structures, parcels and public spaces through an indisputable method such as building addresses, names, tax map information etc. The Grantee must adopt a local standard of what constitutes blight. This standard, including both physical and economic factors, is then applied to all parcels in the revitalized area. The exteriors of those structures that qualify as blighted are eligible for CDBG investment. All blighted properties, however, must be addressed; and
3. Blight Removal or Remediation Plan: An agreement by the Grantee that it will take all necessary measures to ensure complete blight removal by encouraging voluntary compliance by property owners, completing property acquisition with an end use for each property, and when necessary, taking actions allowed under a legally-adopted Redevelopment Plan. Blighting influences can be removed through a number of methods depending on the scope of work defined in the CDBG contract between DHCD and the Grantee.

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Virginia Community Improvement Grant Program Income Plan

Grantee: _____

Date: _____

Project Name: _____

Contract#: _____

OBJECTIVE: The expenditure of active and inactive program income generated from the CIG (*Project Name*) in a manner that will directly benefit low- to moderate-income residents of the (Grantee's Name).

1. **ACTIVITIES:** Describe the ACTIVITIES that will be carried out with program income funds e. g., housing rehabilitation, microenterprise business loans, construction of industrial building, approximately 5,000 sq. ft. of sewer lines, etc. All activities must be eligible expenditures as described in the Grant Management Manual.

Active program income: Active income is income received as a result of program activities prior to administrative closeout of the CDBG Grant Agreement. If the total exceeds \$25,000 in any of the successive 12-month period of the CDBG Grant Agreement, the funds shall be used to reduce drawdowns for eligible project expenses. If the amount does not reach \$25,000, it will be accumulated and used for eligible project costs in excess of the Project Budget with the permission of DHCD. Active income on-hand at the end of the project will be used to reduce drawdowns or returned to DHCD. Active income will be used for the same CDBG activities as approved in the CDBG Grant Agreement.

Inactive program income: Inactive income is all revenue received as a result of CIG activities after Administrative Closeout. Income shall be used to continue the same eligible CIG activities as long as LMI households in the project area have unmet needs. After all needs are met in the project area, inactive income will be used for the following purposes:

2. TIME FRAME: Briefly outline the TIME FRAME during which the project will be carried out and completed.

3. PROJECT AREA: Identify the project area in which activities will be carried out. Indicate where inactive program income will be spent after all of the needs in the project area are met.

4. FUNDS TO BE AVAILABLE:
 - 1) Total Projected Program Income for Next 20 Years: \$_____ (including interest)
 - 2) # of Years Until Payback Complete for Each Loan: _____
 - 3) If Revolving Loan Program, # of Years Until Payback Complete: _____
 - 4) Payback Schedule Total Principle and Interest:

Year 1 \$	Year 11 \$
Year 2 \$	Year 12 \$
Year 3 \$	Year 13 \$
Year 4 \$	Year 14 \$
Year 5 \$	Year 15 \$
Year 6 \$	Year 16 \$
Year 7 \$	Year 17 \$
Year 8 \$	Year 18 \$
Year 9 \$	Year 19 \$
Year 10 \$	Year 20 \$

5. DECISION MAKING: Briefly state who will decide on the use of the Program Income, how that decision will be made, and what oversight will be used to assure that this plan is followed.

The (*Board's Name*) will decide on the use of program income, based upon the Program Design guidelines. A list of the current Board members are attached. The Board will provide the following oversight:

6. ADMINISTRATION: Briefly state who will manage the Program Income funds, who will implement the activities and how the activities will be carried out.

The (*Board's Name*) will be responsible for receiving direct loan payments. The funds will be deposited in interest-bearing escrow account and identified as revenue or expenditure. Funds will be accounted for separately on the (*Grantee*)'s balance sheet. Program income exceeding \$25,000 in one year will be reported to DHCD's Financial Analyst regarding receipt and expenditure.

Records will be kept on a twelve-month contract year basis. Records must show the amounts due and received monthly and the income expended annually. Copies of source documentation will be placed in the appropriate client file.

The (*Board's Name*) will implement the activities in accordance with the Project Management Plan, the Program Design and the Grant Management Manual. The VA Procurement Act will be followed. The (*Board's Name*) will ensure compliance.

I certify that this is the plan of this locality subrecipient for use of income derived from the Community Improvement Grant Program after the current contract expires. I further certify that the governing body Board fully intends to carry out this plan, to oversee its implementation and assures that no other use of these funds will be allowed. I certify that this locality will budget program income funds in a separate, distinct account and will maintain records documenting the use of those under the *Home Investment Partnerships Act*, as amended and Title I of the *Housing and Community Development Act of 1974*, as amended. I understand that the Virginia Department of Housing and Community Development may review the receipt and expenditure of program income funds.

Signature of Authorized Official

Date

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Developing the Program Design

When CDBG funds will be used for housing rehabilitation, a CDBG Grant Agreement will not be issued until the Grantee creates and adopts a Housing Rehab Program Design setting forth the policies and guidelines that the Grantee will use to implement the program. The Program Design must be approved by DHCD and adopted by the local governing body.

The Program Design should include policy on all facets of the program and include procedures that must be followed in implementing the program in a fair and consistent manner. DHCD's program design requirements are provided immediately below.

Purpose and Objective

Provide a general description outlining the broad objective of the housing rehabilitation program as funded.

Oversight and Staffing

The Program Design must include information related to who will oversee and staff the project to ensure its timely, effective and fair implementation. This information must include *at least* the following:

Housing Rehabilitation Oversight Board

The Housing Rehabilitation Oversight Board (Rehab Board) is appointed by the local governing body to oversee the implementation of the Housing Rehabilitation Program. The Board consists of one elected official, the chief administrative official and at least one neighborhood resident who will not benefit from the program. If it is not feasible to include non-beneficiaries, a waiver must be obtained from DHCD. It should also represent a cross section of the community. The Program Administrator may not be a member of the Board. The Board's main responsibility is to review and implement the Program Design. Duties of the Rehab Board must be discussed and must include at least:

- Develop and adopt a set of operating rules or by-laws;
- Monitor staff or consultant work progress and performance;
- Approve contractors qualified as eligible to bid on work;

- Approve applicants for assistance and assure that benefits are being provided in accordance with the Program Design;
- Approve bids and contracts for work performed;
- Review and adhere to a DHCD-approved Program Income Plan; and
- Resolve complaints or disputes which may develop according to the written Complaints and Appeals Procedure.

Program Administrator

The Program Administrator needs to be identified and his or her broad responsibilities should be described. The Program Administrator's main responsibility is to oversee all day-to-day program activities to assure that they are carried out fairly and in conformance with the adopted Program Design. In addition, the Program Administrator is expected to:

- Conduct an initial DHCD HQS inspection;
- Oversee the work of the Rehabilitation Specialist;
- Review and approve all pay requests and change orders;
- Receive all complaints and investigate and make recommendations to solve them; and
- Oversee the application process and the rehabilitation loan packaging process as described in Chapter 9: Housing.

Rehabilitation Specialist

The Rehabilitation Specialist needs to be identified and his or her broad responsibilities should be described. The Rehabilitation Specialist takes primary responsibility for designing, bidding, controlling the quality of the work completed by the housing contractor and ensuring the timely completion of all housing construction contracts. The Rehabilitation Specialist also assures compliance with lead paint requirements, *or* the Grantee contracts with someone who does.

Risk Assessor

Typically the Rehabilitation Specialist will provide any required risk assessor services. However, if this is not the case, it is especially important that the Program Design states clearly who is responsible for completing risk assessments as part of the initial inspections, how these findings will be incorporated into the job specifications, who will assure use of Lead Safe Work Practices, and who will perform clearance testing.

Intake Surveyor

If not the Program Administrator, the Intake Surveyor needs to be identified and the Survey's broad responsibilities should be described. The Survey's main responsibility is to screen applicants, fill out applications and inform the applicants of the program requirements prior to signing of the applications. It is important that this person be identified, if possible, in any advertisements and be present at the stated time and place advertised as to when applications will be taken. This person *must* be familiar with all program policy, procedures, and guidelines since most applicants initial contact will be with the Intake Surveyor.

Loan Officer

The Loan Officer needs to be identified and the Officer's broad responsibilities should be described. The Program Administrator or a qualified agency or institution which services loans can handle the activities of the Loan Officer. The Loan Officer's main responsibility is to collect, record, and forgive payments monthly. The Loan Officer is also to maintain records of loan balances, final payment due dates, issue annual statements to beneficiaries, and to make a good faith effort to collect delinquent loans. The Loan Officer is under *no liability* for loss of funds due to lack of repayment or default by program beneficiaries.

Financial Manager

The Financial Manager needs to be identified and his or her broad responsibilities should be described. The Financial Manager's main responsibility is to ensure that the Grantee adequately budgets and tracks expenditures as outlined in Chapter 5: Financial Management.

Neighborhood Stakeholders

Housing projects are highly dependent upon an organized and active neighborhood stakeholder group. This group must be represented on the Rehab Board and on the Project Management Team. Members of this group should also be active in recruiting participants for programs, sharing information with fellow neighborhood residents, and providing general input on all decisions that are made that will impact the neighborhood.

Project Area Boundaries

The Program Design must adopt project area boundaries that identify the location in which housing rehabilitation benefits will be made available. These project boundaries must coincide with the project area boundaries of the CDBG funded project.

Applicant Eligibility

The Program Design must delineate who is eligible for housing rehabilitation assistance. In doing so, it must consider the following:

- Allowable income and asset limits for the applicant;

- Fairness and equitable distribution of benefits;
- Prioritization of applicants; and
- Application procedures.

Allowable Income and Asset Limits for the Applicant

Programs may design their own limits regarding income and assets as long as these limits do not violate the policies listed here:

- CDBG funds may be used only to directly benefit LMI households;
- Any CDBG funds spent in support of an activity requires that the beneficiaries of the activity be LMI;
- LMI households must be defined as 80% of the locality's median household income as determined from HUD's Section 8 Income Guidelines. These guidelines are updated and published annually. They are available at www.huduser.org. Click on "Data Sets." The initial Section 8 Income Guidelines that will be used must be included in the Program Design;
- Multi-family structures must be occupied by at least 51% LMI households. CDBG funds must be targeted only to those units which are occupied or will be occupied by LMI households;
- The Program Design must define what is considered an asset. It may choose not to allow so great an amount of assets as to provide assistance to persons who should be able to afford the cost of rehabilitation through their own resources. Programs may choose to set asset limitations beyond what is presented here; and
- All income and assets must be counted and verified according to DHCD requirements. See "Income and Asset Verification," as found in Chapter 9: Housing, for more details.

Fairness and Equitable Distribution of Benefits

- The Program Design may not benefit moderate-income households to the exclusion of low-income households. Low-income households are defined as those whose aggregate income by household size is below 50% of the locality's median household income;
- The Program Design may not act to deny reasonable benefit to minority, elderly or female-headed households through its guidelines and loan structuring;

- The Program Design must state that it may not set aside funds or specify goals that adversely affect the benefit of low-income, minority, elderly or female-headed households; and
- The Program Design may state a residency time requirement.

Prioritization of Applicants

The Program Design must explicitly state which applicants will be given priority for approval. DHCD recommends that the program adopt a priority system based on the following:

- Housing Types. The Program Design may state that certain housing types and conditions may be addressed before all others; and
- Household characteristics. A priority system must be established. DHCD recommends a system which gives numerical weight for certain households, depending on the characteristics of the residents of that household.

Given the use of the two above, a typical weighted system for determining beneficiaries who meet the eligibility criteria would be as follows:

- 5 points if the house lacks indoor plumbing facilities;
- 2 points for elderly (62 years or older) head household (not to exclusion of other households);
- 2 points for each person with a handicap that relates to the need for accessibility improvements (other than elderly);
- 2 points if the household income is below 50% of the locality's median household income;
- 2 points if very substandard dwelling unit (major structural and mechanical deficiencies);
- 1 point if female headed households (other than elderly) (requires one or more legal dependents under 18 years of age); and
- 1 point for each dependent child (under 18 years of age).

The method of prioritization adopted by the Program Design must take into consideration the characteristics of the neighborhood for which the Program Design is created. Whatever method the program chooses to use, it must be explicitly stated so that there are no questions as to which applicants will receive housing rehabilitation services first.

Application Procedures

The Program Design must address the issue of when, where, and how applications will be received. The program may choose to accept applications on an ongoing, first-come, first-served basis or it may establish time frames within which applications will be accepted. The procedures must be simple enough as not to discourage participation in the program. However, they must contain enough safeguard to ensure fairness and equal access to the program while complying with DHCD requirements. See “Application Process,” as found in Chapter 9: Housing, for more details.

Properties Eligible for Rehabilitation

The Program Design must define which properties are eligible (“suitable”) for rehabilitation and which are not. The Program Design must include the definitions as indicated here and may, at its choosing, further define the terms.

Suitable for Rehabilitation

An LMI-occupied unit that can be rehabilitated to DHCD Housing Quality Standards (HQS) with a base CDBG investment of \$25,000 or less is considered suitable for rehabilitation. In the event that extra bedrooms, a bathroom, well or septic or handicap accessible structures are required, these “exceptions” may exceed the base \$25,000 limit. See “Property Eligibility and Cost Feasibility,” as found in Chapter 9: Housing, for more details about cost limits.

Unsuitable for Rehabilitation

An LMI occupied unit that has major structural deficiencies such that it can be documented that rehabilitation is not feasible, desirable and/or cost effective as rehabilitation costs would exceed the base \$25,000, not including in this cost the cost of “exceptions,” is considered unsuitable for rehabilitation.

Properties deemed Unsuitable for Rehabilitation must be addressed by the Program Design in one of three ways: Permanent Relocation, Partial Rehabilitation, and Substantial Reconstruction. See “Alternatives to Rehab,” as found in Chapter 9: Housing for more details.

Eligible Property Types

The Program Design must also consider the eligibility and treatment of the following kinds of properties and apply DHCD policies as stated here:

1. Investor-Owned Properties. The Program Design must include guidelines that prohibit windfall profits to landlords and substantial rent increases for the tenant. The following policies must be adopted:

- Eligibility is based upon the income of the tenant residing in the structure at the time of application;
- Houses that receive CDBG investment must include execution of a legally-recorded Landlord Rental Commitment to provide the improved housing units to LMI households for no less than 10 years at affordable rates;
- Investor-owners can reduce the number of years of required LMI benefit at a rate of one (1) year per ten percent (10%) of owner funding provided, up to a maximum of five (5) years and fifty percent (50%);
- Rent charged to tenants of properties that have been rehabilitated with CDBG funds may not be raised for five (5) years or for the term of the loan, if longer, unless the costs to the owner have increased and these costs are directly attributable to the rehabilitation work i. e., monthly payments on a rehabilitation loan, increased insurance costs, or increased property taxes;
- Regardless of direct costs incurred by the landlord, rent may not exceed 35% of gross income of the tenant's household for rent plus utilities;
- The rent amount charged to the tenant must be clearly established in the contract agreement and in a written lease with a one-year minimum; and
- The rent amount shall be maintained at the same level for all subsequent tenants during the ten (10) year time frame.



As part of the Landlord Rental Commitment, require landlords to inspect and insure maintenance of their improved property. If a tenant is found to have vandalized the structure, the landlord should be required to warn the tenant and then evict, if necessary. The landlord will be required to replace the tenant with another LMI resident.

2. Contract Purchase Properties. Contract Purchases allow the occupant of the house to purchase the property directly from the owner at a moderate interest rate with little or no down payment. The owner of the property finances the purchase. Terms and conditions for each sales contract may differ. The increase in value of the house after it is rehabilitated may encourage the financing owner to enforce the terms of the contract, thereby forcing a default by the occupant. In the event the Program chooses to deal with Contract Purchase Properties, the Program Design must include guidelines that assure continued occupancy by the family for which eligibility was established.
3. Heir Properties. The Program Design must require that the applicant prove he/she is one of the heirs and has control over the property. DHCD does not require that the occupant own the property free and clear, but the Grantee must verify

ownership status and must determine the likelihood of continued occupancy by the applicant.

In cases where ownership is clouded by questions of inheritance (heir properties), the following requirements are in effect:

- A reasonable effort must be made to identify all heirs and the Program must document the effort to contact each heir in writing to request transfer of their interest to the beneficiary. The Title must be recorded with the local government in the intended beneficiary's name or the landlord's name;
 - Where heirs are unknown or unable to be contacted, proof of control of the property for the previous three (3) years by the resident must be documented. Proof must include continued residence, payment of property taxes, payment of homeowners insurance or other house payment by the resident; and
 - Where heirs or co-owners are known but unwilling to convey the property or it is undesirable to convey interest in the property to the intended beneficiary, a legally recorded Life Estate will be provided that the grantor(s) will execute an agreement to either (a) repay the outstanding balance upon death or removal of the resident or (b) agree to reside in the property and take over the obligations of the resident if the grantor(s) meet program qualifications.
4. Life Rights. Properties held by occupants who have "life-rights" to the property are eligible if the Program Design allows this type of property to be rehabilitated *and* if both the owner(s) of the property and the occupant who has the life-rights sign the Deed-of-Trust. Should the individual who has life-rights cease to live in the property during the mandatory ten (10) year term of the loan, the owner(s) of the property must either buy-out the loan at full value, less what has been paid or forgiven, or find an eligible LMI occupant for the property.
 5. Vacant Property. CDBG funds may not be used to rehabilitate vacant properties unless an LMI household has agreed to purchase the property and reside in the property full-time. **Prior written approval must be received from DHCD.**
 6. Manufactured (Mobile) Homes. Localities may not exclude mobile home owners from the benefits of the program. The Program Design must include the Mobile Home Cost Limits and policy requirements as found in Chapter 9: Housing. Vacated manufactured homes must be demolished.

Property Ownership

The Program Design must explicitly define how it will address owner-occupied properties or investor-owned (renter-occupied) properties. CDBG funds may be used for either, as determined by the Program Design. In either case the Program Design must adopt policies that assure that public expenditures are protected from fraud, waste and

mismanagement. Safeguards must be in place to prevent benefit to persons unintended to receive program benefit. In meeting this purpose, the following policies must be a part of the Program Design:

- All improvements must be secured by a recorded lien which extends for at least ten (10) years;
- Ownership for all properties must be verified and documented; and
- Properties with unclear titles due to questions regarding inheritance and/or liens and judgments, must be dealt with by the Program to ensure that applicants are given the opportunity to prove their ability to participate in the program. Please see “Heir Properties” above for more details.

Rehabilitation Standards

The Program Design must specify that the following standards and policies are in place when CDBG funds are used to rehabilitate a property:

- All properties receiving CDBG assistance must be rehabilitated to DHCD HQS; and
- Cosmetic improvements are not eligible for CDBG funding.

DHCD HQS include:

- All properties must be inspected for termite and other structural infestation by a licensed exterminator (if infestation is discovered, treatment must be provided);
- All chimneys must be inspected thoroughly for structural damage, including loose masonry units and open mortar joints, and for blockage of flue. All damaged chimneys must be repaired. Chimneys with substantial blockage must be cleaned;
- All debris, abandoned vehicles, and derelict buildings must be removed from property. The owner should remove whatever he or she is physically able to remove;
- All electrical components including service, meter, wiring, and fixtures must be inspected by a qualified electrical inspector. Unsafe components must be replaced. All exposed wiring, switches, and light bulbs in living areas must be encased;
- All homes must be equipped with a smoke detector installed in conformance with the one and two family dwelling code;

- All homes must be weatherized with at least R-19 ceiling insulation and all windows and doors be caulked and weather stripped;
- All homes to be rehabilitated must be tested before and after rehabilitation for air infiltration by means of a Blower Door. Air infiltration through sidewalls must be mitigated where found. Weatherization measures should be designed to meet the minimum air flow of 1,500 CFM and weatherization targets established by the Weatherization Guidelines;
- Homes inhabited by handicapped or elderly persons must be analyzed as to the special physical needs of such persons. Improvements such as widened doorways, ramps, level entry and doorways, and grab bars in bath areas must be installed if appropriate;
- Houses built prior to 1978 will be presumed to contain lead-based paint (LBP). All repairs will be designed to eliminate these hazards using interim controls to any defective paint surface, and any breached friction, impact or chewable surface showing excessive dust and/or deterioration e. g., window sill, window trough, flooring or stair treads. All rehabilitation involving the elimination of LBP hazards shall receive a passing Clearance Examination documented by a licensed Risk Assessor; and
- Section 8 HQS requirements.

Permanent Relocation

The Program Design must establish policies that allow the relocation of homeowners or tenants residing in substandard housing to housing that meets or will meet, after rehabilitation, DHCD HQS. If the property to which a family is being relocated will require repairs to meet DHCD standards, the cost of the repairs and the relocation payments (excluding moving expenses) may not exceed the base cost of \$25,000. In undertaking the permanent relocation option, the Program Design must adopt policies as dictated by Chapter 7: Acquisition and Relocation and Chapter 9: Housing.

Temporary Relocation

The Program Design must adopt policies that will apply to temporary relocation in the event that occupants will be displaced while their abode receives rehabilitation work. Temporary Relocation should be provided either because of an inconvenience to the occupant or possible lead paint. The Program Design must adequately define “inconvenience” to the occupant. See “Temporary Relocation Cost Limits” and “Temporary Relocation,” as found in Chapter 9: Housing for more details about DHCD policy requirements.

Financial Assistance Available

The Program Design must adopt policies regarding the financial assistance that will be made available to beneficiaries. At a minimum, these policies must incorporate DHCD's requirements. See "Minimum Repayment Requirements," as found in Chapter 9: Housing, for more details.

Ability-to-Pay Calculation

Ability-to-pay calculations must be performed for all applicants. To determine an applicant's ability-to-pay, the following calculation must be performed:

Step 1: Gross Household Income – dependents – elderly – other deductibles = Adjusted Gross Income

Step 2: Adjusted Gross Income / 12 = Monthly Income

Step 3:

Owner-Occupied Units

Monthly Income * 25% = Income Available for Housing on a monthly basis

Renter's

Monthly Income * not to exceed 35% = Income Available for Housing on a monthly basis

Step 4: Income Available for Housing – (any current mortgage payments + home insurance + real estate taxes + utilities) = Ability-to-Pay

Dependents: \$480 for each dependent under the age of 18. Do not include head of household or spouse.

Elderly: \$400 for any elderly Family (age 62 years and older).

Other Deductibles: Mortgage or rent and medical expenses in excess of 3% of gross household income.

Utilities: Use the "Utility Fee Schedule" as found in Appendix 45.

The difference between the actual amortized loan and the results of Step 4 is the amount forgiven each month.

Types of Financial Assistance

Within the parameters of the cost limits, as found in Appendix 3: Project Budget, the following types of financial assistance may be used and should be explicitly discussed in the Program Design:

1. Amortized Loans. A straight amortized loan using only CDBG funds must meet the requirements as described above.

2. Loan Leveraging. CDBG funds may be used to leverage other public or private funds to increase the amount of the overall loan and increase the amount of work to be completed on the property, thereby increasing the value of the property. To do this, CDBG funds may be “blended” with the leverage funds. The security and re-payment of the leveraged funds may extend beyond the life and amount of the CDBG requirements, but CDBG funds must be secured by the Grantee for ten (10) years and for the value of the work that is being funded by CDBG. In certain circumstances, DHCD will, upon request by the Grantee, allow the Grantee to accept a second position on the Deed of Trust behind the entity offering the loan. It should be noted that the resident’s ability-to-pay cannot increase as a result of the additional leverage funds. However, payments may extend beyond ten (10) years.

DHCD does not require the Grantee to take a second or other position to facilitate mortgage refinancing after rehabilitation is complete.

3. Program Income. Program Income received from residents may be rolled into a loan that will be used for improvements to the structure, thereby leveraging extra funds beyond the allowable CDBG cost limits. As the locality is the recipient of the program income, it should act as an intermediary in using the program income to access the home improvement loan.

✱ CDBG funds may not be used for deferred loans.

Contracting Procedures

The Program Design must define the process by which it will bid and award contracts for the rehabilitation of houses. This process must abide by the *Virginia Public Procurement Act*. The Program Design should discuss the following:

- Selecting and Qualifying Contractors;
- Bidding and Construction Process, including how bids will be phased;
- Contracts and Agreements, including the policy regarding the number of contracts to be awarded to a single contractor who can complete all of the contracts within a 60-day construction period;
- Final Completion and Acceptance, including the policy that all completed work must be inspected and approved by the appropriate permitting entities, the home owner/occupant, the Program Administrator and Rehabilitation Specialist. The Program Design should also contain a provision allowing the Program Administrator to sign in case the homeowner refuses to sign on grounds not related to the construction contract;

- Payment, including if an escrow account will be used to pay the contractors. See “Alternative Payment Option for Housing Rehab Invoices,” as found in Chapter 5: Financial Management, for more details; and
- Retainage must be held until the home owner/occupant and the Program Administrator have visited the home and found the work to be satisfactory.

Loan Servicing

A detailed outline of the local policy/process used to track, manage and properly address delinquent loan payments from rehab beneficiaries must be included in the Program Design. Call your DHCD Community Representative for guidance.

Home Maintenance Education Program

Grantees must incorporate their Home Maintenance Education Program (HMEP) into the Program Design. In order to be approved, programs *must* include the following components:

- An explanation of how the heating system, the plumbing system, the electrical system, and the water heater functions, description of the proper use of these systems, and a description of potential common problems and solutions;
- An explanation and, if necessary, demonstration of how to properly clean and maintain these systems on a routine, seasonal and annual basis; and
- Instruction on household budgeting and personal financial management. It must explain how to establish and use checking and savings accounts, how to select and purchase insurance coverage, and how to establish and follow a household budget.

It is expected that each training session shall be “hands on” in nature and take at least four hours, including one hour on budgeting. This training should be conducted in a group setting and provide, at a minimum, a tool kit, a cleaning kit and the *Housekeeping: A Guide to Caring for Your Home* and *Home Maintenance* handbooks to recipients of the training. English and Spanish language copies of the two handbooks are available through DHCD.

☒ As part of the HMEP, discuss predatory lending and the importance of having a will with your beneficiaries.

It is not acceptable to hold one training class at the end of the project due to the time lag between completion of construction and when the training is provided.

At least one (1) member of each household receiving assistance must attend the HMEP. The sign-in sheet must be kept in the project file, along with a signed certification listing

all handouts and warranties given to the attendee. A copy of an agenda that outlines the topics covered, the name of the individual(s) who taught each topic, and the length of time allocated to each topic must also be placed in the project file.

Complaint and Appeals Procedures

The Program Design must incorporate the Program's complains and appeals procedure. It must include at least the following:

All written complaints and appeals *must* be addressed within fifteen (15) days of receipt and resolved within thirty (30) days. A response to all written complaints and appeals must be in writing and must include an explanation of the reason(s) for the decision reached, information on the next step in the appeals process and how many days from receipt of notice the complainant has to appeal any decision.

Appeals of the Program Administrator's decision should be addressed to the Rehab Board whose decisions should be addressed to the Chief Administrative Official. Appeals of that decision should be addressed to the local governing body. Final appeals should be addressed, in writing, to DHCD. The appeal should include a copy of all correspondence that has taken place to date. The appeal should identify the problem and the desired solution. DHCD will investigate the complaint and respond, in writing, in a timely manner. All involved parties will be copied.

If the complainant requires assistance in putting his or her complaint in writing, staff will make assistance available. The same is true for appeals.

As a part of the intake process, applicants will be informed that if their application is denied, they will be notified, in writing, of this decision and that they have fifteen (15) days from receipt of the notice to make a written appeal. The person and address to which a complaint should be addressed must be identified.

Appeals involving contractor disputes may employ local building code review committees to resolve said disputes.

Revising the Program Design

Because the Program Design is an official contract document, all revisions must be reviewed and approved by DHCD and amended by formal action by the local governing body.

Developing the Program Design

When CDBG funds will be used for façade improvements, a CDBG Grant Agreement will not be issued until the Grantee creates and adopts a Facade Renovations Program Design setting forth the policies and guidelines that the Grantee will use to implement the program. The Program Design must be approved by DHCD and adopted by the local governing body.

The Program Design must be tailored to the needs of the downtown district, and therefore DHCD does not provide a model Program Design. However, there are a number of items to be considered and several DHCD requirements that must be followed. DHCD's program design requirements are provided immediately below and technical assistance considerations follow.

Project Area Boundaries

The Program Design must adopt project area boundaries that identify the location in which façade renovation benefits will be made available. The boundaries may take into account both physical and social considerations. These project boundaries must coincide with the project area boundaries of the CDBG funded project.

Policy Requirements

The following requirements must be incorporated into a Facade Renovations Program Design:

- Grantees must adopt design guidelines for the project area and include them in the Program Design;
- All CDBG- and leverage-funded building improvements must be done in a manner consistent with the established design guidelines;
- All CDBG- and leverage-funded building improvements from the time of the CDBG Grant Agreement's execution forward must be maintained to the design guidelines for a period of ten (10) years;
- A five (5) year lien must be placed on the building by the Grantee requiring maintenance of the façade. The lien amount will be repaid or transferred if the property is sold. The lien amount may be forgiven by one-fifth each year;
- CDBG assistance can only be used for improvements to the exterior of the building;

- CDBG assistance on non-street façades must receive DHCD's prior written approval;
- All buildings receiving CDBG funds must be free of blight once the construction is complete;
- There must be some level of private investment matched with the CDBG investment. Private investment may be used for interior improvements or a share of exterior improvements;
- If a property owner of a blighted structure will not participate in the façade program, the Grantee must make at least minimal improvements e. g., painting to the structure using CDBG or leverage funds. The Grantee must commit to take and condemn blighted properties if the property owner(s) do not consent to the minimal improvements;
- CDBG improvements must be bid out by the Grantee and a three-party contract must be executed between the Grantee, the contractor and the building owner before work begins;
- With the exception of the *replacement* of certain architectural elements, all Federal Labor Standards requirements apply for construction contracts over \$2,000 using any CDBG funds. See Chapter 8: Federal Labor Standards and Equal Opportunity Requirements for more details;
- For building owners who opt to use their own time and labor as match, the Grantee must utilize standard wage rates for job types for building owners who choose to use their time as a match. DHCD will provide wage information based on federal wage rates for various job types; and
- Building owners who are also contractors may choose to have their personal company do the construction work. In such instances CDBG funds can be used for documented material costs only.

Additionally, the Program Design must explain the following:

- Parameters of the grant/loan program, including the following:
 - Composition of the Loan Review Committee (the Loan Review Committee must include at least two local bankers);
 - Match and payback requirements;
 - The maximum amount that can be loaned out. This amount will be negotiated between the Grantee and DHCD and based upon project area, need and budget constraints; and
- Application, design, bidding, contract, construction and complaint procedures.

Design Considerations

The following items may be helpful when considering how to create and structure a Facade Renovations Program Design:

- The program should be structured so that loan amounts leverage a private investment that is considerable but also reasonable given the challenging real estate market that typically exists in distressed downtown districts;
- CDBG funds can only be used for improvements made to the exterior of the building, but match funds can be used for the interior, if the Grantee so desires;
- The Grantee should make efforts with local banking institutions to create a low interest loan pool that can be used for privately funded building improvements that will be matched with CDBG resources;
- Assigning categories of blight or deterioration such as “high,” “medium,” or “low” to buildings and structuring façade grant levels so that a greater amount of CDBG funds is allowed for “high” deterioration and less is allowed for “low” deterioration will allow the needs of buildings to be better addressed. For example, high deterioration may have a maximum CDBG investment of \$25,000, medium deterioration may have a maximum of \$15,000 and low a maximum of \$7,500. Assigning categories of deterioration and CDBG cost limits should be developed by assistance from an architect; and
- The bidding of certain facade improvements collectively across many buildings may increase contractor availabilities and decrease bid price. For example, the Grantee may want to bid the awning work for several buildings together and award it as once contract.

Complaints and Appeals Procedure

The Program Design must incorporate the Program’s complains and appeals procedure. It must include *at least* the following:

All written complaints and appeals *must* be addressed within fifteen (15) days of receipt and resolved within thirty (30) days. A response to all written complaints and appeals must be in writing and must include an explanation of the reason(s) for the decision reached, information on the next step in the appeals process and how many days from receipt of notice the complainant has to appeal any decision.

Appeals of the Loan Review Committee’s decision should be addressed to the local Chief Administrative Official. Appeals of that decision should be addressed to the local governing body. Final appeals should be addressed, in writing, to DHCD. The appeal should include a copy of all correspondence that has taken place to date. The appeal should identify the problem and the desired solution. DHCD will investigate the

complaint and respond, in writing, in a timely manner. All involved parties will be copied.

If the complainant requires assistance in putting his or her complaint in writing, staff will make assistance available. The same is true for appeals.

As a part of the intake process, applicants will be informed that if their application is denied, they will be notified, in writing, of this decision and that they have fifteen (15) days from receipt of the notice to make a written appeal. The person and address to which a complaint should be addressed must be identified.

Recordkeeping

The Program Design must describe the process that will be used to track the number of businesses assisted by, and participated in, façade improvements or renovation improvements. In addition, it must track the total amount of private investment expended and copies of supporting source documentation or an IPA statement. The Program Design must also note that minutes must be kept of the Loan Review Committee's meetings.

Revising the Program Design

Because the Program Design is an official contract document, all revisions must be reviewed and approved by DHCD and amended by formal action by the local governing body.

Developing the Program Design

Prior to receipt of the Grant Agreement, the Grantee must create and adopt a Microenterprise Program Design setting forth the policies and guidelines that the Grantee will use to implement the program. The Program Design must be approved by DHCD and adopted by the local governing body.

The Program Design must be tailored to the needs of the project, and therefore DHCD does not provide a model Program Design. However there are number of items to be considered and several DHCD requirements that must be followed. DHCD's program design requirements are provided immediately below.

Purpose and Objective

Provide a description outlining the broad objective of the microenterprise program as funded. The program must include, at a minimum, training, technical assistance, loans, and follow-up assistance.

Staffing and Responsibility

The Program Design must include information related to who will oversee and staff the project to ensure its timely, effective and fair implementation. This must include *at least* the following:

- Who clients contact for information on the program;
- Who makes recommendations to the Loan Review Committee regarding loans;
- Who conducts training sessions; and
- Who oversees the program.

Financing Available

Delineate sources and amounts of funds available for the program and any restrictions that must be applied to these funds i. e., available dates and required interest rates. Maximum and minimum amounts of loans must be established and the maximum may not exceed \$35,000 per loan.

A brief discussion of how these funds will be applied to loans (in proportion to one another, at some percentage of each loan, as loan loss reserve, etc.) must be included.

This should include a description of how funds will be available from the different sources e. g., line of credit, immediately available, and/or available upon approval. Further, the methods for securing collateral must be included. Real property or equipment purchased with CDBG funds must be collateralized, but the borrower may not use his or her primary residence as collateral.

The Grantee must advertise the availability of assistance.

Program Eligibility

The program must be designed to ensure that at least 51% of all individuals who benefit from the use of CDBG funds will be LMI. In addition, the Program Design must include a description of any required contributions and leverage by program participants. The Grantee may stipulate other requirements, as necessary, but they must be included as part of the Program Design.

Program Outreach and Promotion

The Program Design must discuss how it will attract clients and tap into the market for those seeking micro-enterprise loans in the localities being served by the program. This must include a clear indication of partners and referral agencies and other networks that the program will work with in identifying and serving clients.

Training

An in-depth training program must be provided that meets participants at their levels. The types of training provided might include economic literacy and financial management, credit repair, bookkeeping, marketing, financing, insurance, personnel management and business plan development. The Program Design must provide detailed description of all training programs that will be offered or required. This description should include names of courses, topics, and certifications to be awarded. Products generated by the participants as a result of the training must be identified. The description must also include who will be providing the training and where it will be offered.

Technical Assistance

A description of the types of technical assistance that will be used by the program to work closely with clients is required. This description must include when technical assistance will be given.

Monitoring and Follow-up Assistance

A detailed discussion of the kinds of assistance that will be given to those who have been awarded loans is required. This assistance must include routine contacts by the program

manager with the loan recipient to review the implementation of the business plan, use of the funds, marketing efforts, and all other aspects of business management. Follow-up assistance must also include contacts with business mentoring groups that are involved in the program.

Loan Approval

The process by which loans are approved must be thoroughly detailed and must include *at least* the following:

- Applications. A description of the application process;
- Recommendations. A description of who has the responsibility to make recommendations for loan approvals to the Loan Review Committee and the criteria that will be used in making these recommendations;
- Loan Review Committee. A description of the composition and the explicit duties of the Loan Review Committee. There must be at least two (2) local bankers on the Committee;
- Denials. A description of how denials of loan requests will be handled; and
- Defaults. A description of how the Committee will handle defaults.

Underwriting Guidelines

All requirements related to underwriting must be explained. These requirements must include:

- Eligibility which must be based on income and location (business location must be in jurisdiction that is being funded) and can include other stipulations such as an approved business plan, completion of a course in small business management, good credit, and/or age;
- Requirements of borrowers to be considered and ultimately approved for a loan. This must include *at least* the following:
 - All borrowers must establish a separate business checking account;
 - Program elements, which may include the following:
 - All borrowers must use a cash or accrual-based accounting system;
 - Receipts of all purchases with the loan funds must be kept by the borrower; and

- All borrowers must either be LMI (documented) or commit to hiring documented LMI employees.
- Program elements that will be considered or required such as trainings, certifications, restrictions on use of funds, prioritization of applicants, service fees, closing fees, collateral, determination of appropriateness, and legal agreements.
- Payments, collections and delinquents payments must all be addressed. To whom and by what date will payments be made? In the event of late payments, what are the consequences and what actions will the program take to assist the client in making future payments on time.

Complaints and Appeals Procedure

The Program Design must incorporate the Program's complains and appeals procedure. It must include *at least* the following:

All written complaints and appeals *must* be addressed within fifteen (15) days of receipt and resolved within thirty (30) days. A response to all written complaints and appeals must be in writing and must include an explanation of the reason(s) for the decision reached, information on the next step in the appeals process and how many days from receipt of notice the complainant has to appeal any decision.

Appeals of the Loan Review Committee's decision should be addressed to the local Chief Administrative Official. Appeals of that decision should be addressed to the local governing body. Final appeals should be addressed, in writing, to DHCD. The appeal should include a copy of all correspondence that has taken place to date. The appeal should identify the problem and the desired solution. DHCD will investigate the complaint and respond, in writing, in a timely manner. All involved parties will be copied.

If the complainant requires assistance in putting his or her complaint in writing, staff will make assistance available. The same is true for appeals.

As a part of the intake process, applicants will be informed that if their application is denied, they will be notified, in writing, of this decision and that they have fifteen (15) days from receipt of the notice to make a written appeal. The person and address to which a complaint should be addressed must be identified.

Recordkeeping

The Program Design must describe the process that will be used to track the number of loans made to small businesses, the number of defaults, and the number of hours of business training provided. In addition, if the above data shows that the program's goals

are not being met, documentation must be kept of the corrective measures taken to remedy the situation. The Program Design must also note that minutes must be kept of the Loan Review Committee's meetings.

Revising the Program Design

Because the Program Design is an official contract document, all revisions must be reviewed and approved by DHCD and amended by formal action by the local governing body.

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CONTRACT #_____

AGREEMENT

This AGREEMENT, entered into as of this _____ day of _____, 200____, by and between the Virginia Department of Housing and Community Development hereinafter referred to as "DHCD" and _____ hereinafter referred to as "GRANTEE."

WITNESSETH

WHEREAS, the Commonwealth of Virginia has been authorized to distribute and administer Community Development Block Grant (CDBG) funds pursuant to the Housing and Community Development Act of 1974, as amended, and

WHEREAS, DHCD has been authorized by the Governor of the Commonwealth of Virginia to distribute and administer CDBG funds in the form of COMMUNITY IMPROVEMENT GRANTS (CIG) according to the CDBG Program Design, and

WHEREAS, the PROJECT as described in the Community Improvement Grant Proposal as submitted by the GRANTEE has achieved a sufficiently high ranking through a competitive proposal selection system to qualify for Community Improvement Grant funding on the basis of the CDBG Program Design,

Now THEREFORE, the above-mentioned parties hereto do mutually agree as follows:

1. DHCD agrees to award the GRANTEE a COMMUNITY IMPROVEMENT GRANT in an amount of the total allowable, eligible costs in carrying out the ACTIVITIES included in the scope of the work herein described not to exceed \$_____ (_____ dollars).
2. DHCD agrees to provide the GRANTEE with technical assistance in setting up and carrying out the administration of its COMMUNITY IMPROVEMENT GRANT.
3. The GRANTEE will commence, carry out and complete the following scope of work (more thoroughly described in the GRANTEE'S CIG Proposal).

PROJECT TITLE:

OUTCOMES:

BENEFITS:

PRODUCT(S):

4. The aforementioned PROJECT shall be carried out, and grant payments made in strict conformance with the CONTRACT DOCUMENTS.
5. The GRANTEE will use the lesser of (1) the amount specified above, or (2) if, at total PROJECT completion, there are cost underruns or project savings, these costs shall revert to the Department of Housing and Community Development and other funding sources committed to the PROJECT in the CIG proposal on a proportional basis, unless superseded by other federal program requirements. In no case will leveraged funds be returned beyond that amount which would have changed the PROJECT'S ability to be funded initially.
6. The GRANTEE will initiate the PRODUCT(S) required by the CONTRACT DOCUMENTS beginning _____, 200_____, unless grant Special Conditions require additional action on specified PRODUCT(S) before proceeding with that PRODUCT(S). In such instances the GRANTEE will initiate action relative to removal of the Special Conditions beginning with the execution of this AGREEMENT.
7. The GRANTEE shall complete the work as described in the CONTRACT DOCUMENTS within _____ months of the execution of this AGREEMENT, or more specifically on or before _____, 200_____. If the PRODUCTS are not completed by that date all CIG funding and this AGREEMENT shall be terminated and the Grantee shall return all unexpended funds, unless an amendment to the CONTRACT DOCUMENT provides otherwise.
8. DHCD agrees to make payment to the GRANTEE upon receipt of a properly completed and signed invoice. Requests for Payment may be made allowing approximately twenty-one days to receive the funds. Funds are to be immediately disbursed by the GRANTEE and shall not be deposited in an interest-bearing account.
9. The term CONTRACT DOCUMENTS means the following documents which are a part of this AGREEMENT and are incorporated by reference herein as if set out in full.
 - A. GRANTEE'S CIG Proposal (including revisions);
 - B. AGREEMENT;
 - C. SPECIAL CONDITIONS;
 - D. GENERAL CONDITIONS;
 - E. ASSURANCES;
 - F. AMENDMENTS;
 - G. CIG Grant Management MANUAL (Those items specified as being required);
 - H. CIG Contract Negotiation Record;
 - I. PROJECT MANAGEMENT PLAN;
 - J. PROGRAM INCOME PLAN.

In witness whereof, the parties hereto have executed or caused to be executed by their duly authorized official this AGREEMENT in duplicate, each copy of which will be deemed an original.

COMMONWEALTH OF VIRGINIA,
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

BY: _____ DATE: _____
Deputy Director

City of Richmond,
Commonwealth of Virginia

I do certify that M. Shea Hollifield personally appeared before me and made oath that she is Deputy Director of the Department of Housing and Community Development and that she is duly authorized to execute the foregoing document.

My commission expires _____.

Given under my hand this _____ day of _____, 200_____.

Notary Public

(GRANTEE)

BY: _____ DATE: _____

City/County/Town of _____,
Commonwealth of Virginia

I do certify that _____ personally appeared before me and made oath that he/she is _____ of the _____ and that he/she is duly authorized to execute the foregoing document.

My commission expires _____.

Given under my hand this _____ day of _____, 200_____.

Notary Public

SPECIAL CONDITIONS

1. Notwithstanding the effective date of this contract, _____, 200_____, eligible administrative expenses not to exceed \$_____ incurred prior to this date have been approved for reimbursement. The effective date of this authorization is _____, 200_____.
2. A total of \$_____ in leverage funds is committed to this project by the GRANTEE. Sources of funds are as follows:

_____ \$_____

These funds shall be expended prior to or in proportion to Community Improvement Grant Funds within the budget, per activity.

Documentation on the expenditure of these funds shall be maintained by the GRANTEE and reported to DHCD at project closeout.

3. The Project Management Team shall meet regularly (at least monthly) to properly monitor the Project's progress. The Team will review its Project Management Plan to determine if the project is being implemented according to the projected plan. The plan will be updated promptly in recognition of a deviation from projections and DHCD will be notified.
4. DHCD reserves the right to end funding at any point should the project prove nonviable. This includes, but may not be limited to, lack of progress in conformance with the approved Project Management Plan.
5. Monthly progress reports must be submitted to DHCD. These reports must document funds expended and obligated to date and the actions taken on key benchmarks that support the successful completion of the project.
6. DHCD reserves the right to receive additional documentation pertaining to construction, professional service, non-professional service or other contracts obligating CDBG funds prior to approving drawdown requests.

GENERAL CONDITIONS

1. **DEFINITIONS** - Whenever used in the **CONTRACT DOCUMENTS** the following terms when written in all capital letters shall have the meanings indicated and shall be applicable to both the singular and plural thereof:
 - A. **AMENDMENT** - A formal addition or modification to the **CONTRACT DOCUMENTS** which has been approved in writing by both parties, and which affects the scope, objectives or completion date of the **PROJECT**, or which affects the manner in which the **PROJECT** is to be carried out.
 - B. **APPLICANT** - The entity which made the proposal for **COMMUNITY IMPROVEMENT GRANT** funding and accepted responsibility for assuring compliance and performance of all conditions.
 - C. **ASSURANCES** - The **ASSURANCES** which are attached to this document.
 - D. **COMMUNITY IMPROVEMENT GRANT (CIG)** - The funds, the **PROJECT** and **PRODUCTS** to be funded, and all conditions, laws and regulations affecting administration of funds currently in effect or as subsequently amended, and provided by **DHCD** to the **GRANTEE** from Community Development Block Grant funds allocated by the U.S. Department of Housing and Urban Development.
 - E. **CONTRACT DOCUMENTS** - The legal agreement between **DHCD** and the **GRANTEE** including the **AGREEMENT** and all documents referenced in paragraph 9 thereof.
 - F. **GRANTEE** – The entity which is the recipient of **CIG** funds and as such must comply with **CONTRACT DOCUMENTS**.
 - G. **MANUAL** - The Community Improvement Grant Management Manual, which contains required forms and instructions for the administration of **CIG**'s and provides required and non-required procedures for project management.
 - H. **PRODUCT** – A **PROJECT** activity which constitutes a specific portion of the **PROJECT**, and as such is covered by its own budget.
 - I. **PROJECT** - The physical activities undertaken to meet the overall stated objective for which **CIG** funding is utilized.
 - J. **PROJECT MANAGEMENT PLAN** - A plan prepared by the **Grantee**, which identifies roles, responsibilities, method of contract administration and oversight, key dates for task implementation and completion, analysis of potential problems and management organization.
 - K. **WORK** - All labor, equipment and materials necessary to produce the construction of the **PROJECT** as required by the **CONTRACT DOCUMENTS**.

- L. **WRITTEN NOTICE** - Any notice from one party to the AGREEMENT to the other signed by an authorized official which transmits binding statements of fact or condition and is delivered to the appropriate authorized official either in person or through the United States mail.
2. **ADMINISTRATIVE PROCEDURES** - The GRANTEE shall perform all contracted WORK and administer all grant funds and activities in conformance with the general terms and special conditions set forth where required in DHCD's MANUAL, and any WRITTEN NOTICES from DHCD.
3. **ACCOUNTING RECORDS** - The GRANTEE shall establish and maintain separate accounts within its existing accounting system or set up accounts independently which are in conformity with the requirements of the Code of Federal Regulations (24 CFR Part 85), the DHCD MANUAL requirements and any WRITTEN NOTICES from DHCD. The GRANTEE shall record in its accounting system all Grant payments received by it pursuant to this Grant and all other funds provided for, accruing to, or otherwise received on account of the Grant.

All costs, including paid services contributed by the GRANTEE or others, charged to the Grant shall be supported by properly executed payrolls, time records, invoices, contracts, or vouchers evidencing in proper detail the nature and propriety of the charges. All checks, payrolls, invoices, contracts, vouchers, orders, or other accounting documents pertaining in whole or in part to the Grant shall be clearly identified, readily accessible, and separate and distinct from all other such documents. Such documents shall reside at the offices of the GRANTEE locality.

4. **COSTS INCURRED PRIOR TO GRANT AGREEMENT EXECUTION** - No costs incurred prior to the execution of the AGREEMENT shall be eligible for reimbursement with Grant funds, unless such incurred costs are authorized in writing by DHCD.
5. **PROGRAM BUDGET** - The GRANTEE shall carry out activities and incur costs only in conformance with the latest approved budget for the Grant and subject to the provisions of these CONTRACT DOCUMENTS. The budget may be revised through Administrative Procedures detailed in the MANUAL, but no such budget or revision shall be effective unless and until the Department shall have approved the same in writing or as indicated in item 16 of these General Conditions.
6. **RECORDS** - The GRANTEE shall maintain such records in such a manner as prescribed in the MANUAL. Records shall be readily accessible to DHCD, appropriate State and Federal agencies, and the general public during the course of the project and shall remain intact and accessible for five years from final closeout. Except if any litigation claim or audit is started before the expiration of the five year period the records shall be retained until such action is resolved. Notwithstanding, records of any nonexpendable property must be retained for a five year period following final disposition.

7. **REPORTS** - The GRANTEE shall furnish, regularly and in such form as DHCD may require, reports concerning the status of project activities and grant funds. Such reports shall be submitted in the form and manner as prescribed in the MANUAL and in WRITTEN NOTICES from DHCD.

All reports shall be completed in full and submitted at the time prescribed by DHCD. Reports shall contain accurate information and shall detail any problems, delays or adverse conditions experienced.

8. **QUALITY CONTROL** - The GRANTEE accepts the responsibility to assure that all grant funded PRODUCTS shall be implemented with the highest possible degree of competence, workmanship, quality and cost effectiveness. To this end the GRANTEE shall provide a system of quality control to include all aspects of grant administration and project implementation.

The GRANTEE shall obtain a certification of inspection and final completion signed by the project engineer or by the person responsible for quality control at the completion of each construction ACTIVITY.

9. **COMMUNICATIONS - WRITTEN NOTICES** shall constitute the only means of binding statements of fact or condition between the parties of this agreement. All required reports and requests to be issued by the GRANTEE must be made by way of a WRITTEN NOTICE unless other means are specified in the CONTRACT DOCUMENTS. *Please note that project-specific technical assistance provided via email does NOT have the weight of official WRITTEN NOTICE. Rather, it is comparable to oral technical assistance discussions.* All directives, findings and other formal issuance by DHCD must be transmitted through a WRITTEN NOTICE unless otherwise specified in the CONTRACT DOCUMENTS.

WRITTEN NOTICES shall be signed by and addressed to the appropriate authorized official and shall be considered transmitted when delivered in person or through the United States mail.

The GRANTEE shall act upon and respond to WRITTEN NOTICES promptly as directed.

10. **ACCESS TO BENEFITS** - No access or connection fees shall be charged to low- and moderate-income persons for access to improvements or benefits provided by grant funds. All low- and moderate-income persons identified in the proposal shall be assured access to and use of grant assisted improvements by regular user charges for the specified service.
11. **BENEFITS** - The PROJECT shall be implemented in such a manner so as to provide benefits to all persons identified in the project proposal. Affirmative steps shall be taken to assure direct benefit to low- and moderate-income persons in the number and extent identified in the proposal.
12. **PROGRAM INCOME** - Any income derived from activities financed with grant funds is program income and shall be utilized in the following manner:

- A. Program income earned during the life of the grant is considered Active Program Income. It must be tracked by contract year. A contract year begins with the effective date of the contract and concludes 364 days later. Grantees shall track all Program Income based on the date that it is earned and report said amounts to DHCD when requested. When Active Program Income exceeds \$25,000 in any given contract year, 100% of that income earned must be spent immediately for eligible project expenses in lieu of drawing down funds. The Grantee may be able to access the total amount of CDBG funds in the grant agreement provided the Grantee has an approved Program Income Plan, the project is completed in a timely manner, and there are eligible project expenses that can be incurred in delivering products consistent with the CDBG grant agreement.

When Active Program Income is less than \$25,000 in a given contract year, it does not have to be expended immediately. It may be held in an interest bearing account. The Active Program Income and interest earned from it must be tracked by the Grantee. All Active Program Income earned in given program years in amounts of under \$25,000 per year can accumulate until the end of the project. The cumulative amount of these funds shall be used on eligible CDBG project activities at the end of the project. In these cases, the Grantee may use the program income in addition to the total amount of CDBG funds in the grant agreement provided the Grantee has an approved Program Income Plan, the project is completed in a timely manner, and there are eligible project expenses that can be incurred in delivering products consistent with the CDBG grant agreement. Funds remaining at Administrative Closeout of the grant must be returned to DHCD.

- B. Income earned after Administrative Closeout is considered Inactive Program Income. Inactive Program Income must be returned to DHCD, unless DHCD has approved a Program Income Plan. Program Income Plans will only be approved when the Plan proposes to continue the same activity in the same location that originally produced the program income. Inactive Program Income may be accumulated indefinitely and for undetermined amounts until such time that the balance has reached a level to undertake CDBG eligible activities designated in the approved Program Income Plan that governs the expenditures of Inactive Program Income. Grantees must report program expenditures and receipts to DHCD for any year where more than \$25,000 is received.

13. **CONTRACT SECURITY** - The GRANTEE shall secure all materials and equipment, purchased or paid for with grant funds through insurance coverage of the full value of the same.

All persons contracted, employed or otherwise utilized in the grant and having responsibility for the management, disposition, expenditure or use of Grant funds shall be bonded by a surety registered to do business in the Commonwealth of Virginia in an amount commensurate with their authority and potential liability.

14. **METHOD AND TIMING OF PAYMENT** - The GRANTEE shall utilize Request for Payment procedures as specified in the MANUAL. The GRANTEE shall request funds only for those amounts which have been obligated, encumbered or expended through other accounts and which can be expended upon receipt or soon thereafter. To this end, the GRANTEE shall develop a financial management system which provides for timely expenditure of requested grant funds.
15. **DRAWDOWN AND PAYMENT OF GRANT FUNDS** - Drawdowns and expenditure of CDBG funds must be made subsequent to or in proportion to other funds within the budget per activity, and in accord with an agreed-upon pay-for-performance schedule.
16. **BUDGET REVISIONS/AMENDMENTS** - The GRANTEE shall not obligate, encumber, spend or otherwise utilize CIG funds for any activity or purpose not included or not in conformance with the budget as apportioned and as submitted to DHCD unless the GRANTEE has received explicit approval by WRITTEN NOTICE from DHCD to undertake such actions.
17. **CHANGE ORDERS** - DHCD must approve all change orders on construction contracts. Any change order, regardless of cost, which results in a change of project scope, will be a disallowed cost.
18. **TERMINATION, SUSPENSION, CONDITIONS** -
 - A. **FOR CAUSE** - If through any cause, the GRANTEE or DHCD fails to comply with the terms, conditions or requirements of the CONTRACT DOCUMENTS the other party may terminate or suspend this AGREEMENT by giving WRITTEN NOTICE of the same and specifying the effective date of termination or suspension at least five (5) days prior to such action.

If, after the effective date of any suspension of this AGREEMENT, it is mutually agreeable to DHCD and the GRANTEE upon remedy of any contract violation by the GRANTEE or DHCD, the suspension may be lifted and the AGREEMENT shall be in full force and effect at a specified date after the parties have exchanged WRITTEN NOTICES stating a mutual understanding that the cause for suspension has been identified, agreed to and remedied.

In the case of contract violations by the GRANTEE, DHCD may impose conditions other than termination or suspension which are appropriate to ensure proper grant and project administration and adherence to the terms of the CONTRACT DOCUMENTS. Such conditions must be imposed through WRITTEN NOTICE.
 - B. **FOR CONVENIENCE** - DHCD may terminate this AGREEMENT for convenience in the event that DHCD is no longer authorized as an agency to administer the CDBG program or if the federal funds allocated are no longer available.

The GRANTEE may terminate this AGREEMENT for convenience at any time provided that all of the following conditions are met:

- i. The GRANTEE gives DHCD ten (10) days WRITTEN NOTICE; and
- ii. The PRODUCTS which have been initiated either have been completed and may be utilized in their stage of completion in a manner consistent with the objectives in the GRANTEE'S CIG Proposal, or will be completed by the GRANTEE through its own or other resources; and
- iii. The GRANTEE had honored or will honor all contractual obligations to third parties affected by the PROJECT; and
- iv. DHCD agrees to the termination.

A GRANTEE'S valid termination for convenience in accordance with these CONTRACT DOCUMENTS shall not affect nor prejudice the GRANTEE'S future relationship with DHCD nor its future consideration as a CIG recipient.

19. **SUBSEQUENT CONTRACTS** - The GRANTEE shall remain fully obligated under the provisions of the CONTRACT DOCUMENTS notwithstanding its designation of any subsequent or third parties for the undertaking of all or part of the PRODUCTS for which the Grant assistance is being provided to the GRANTEE.

Any GRANTEE or CONTRACTOR or SUBCONTRACTOR which is not the APPLICANT shall comply with all the lawful requirements of the APPLICANT necessary to ensure that the PROJECT for which this assistance is being provided under this AGREEMENT is carried out in accordance with the APPLICANT'S Assurances and Certifications.

Grantees shall obtain a financial disclosure report from all contractors, subcontractors, developers, and consultants which certifies the financial interest of all officers, directors, principal stockholders, or other persons who will have a \$50,000 or 10 percent or greater interest in the contract whichever is lower.

20. **POLITICAL ACTIVITY PROHIBITED** - None of the funds, materials, property or services contributed by the DHCD or the GRANTEE, under this AGREEMENT, shall be used in the performance of this AGREEMENT for any partisan political activity, or to further the election or defeat of any candidate for public office.
21. **INTEREST OF MEMBER OF AGENCY AND OTHERS** - No officer, member, or employee of the GRANTEE and no member of its governing body, and no other public official of the governing body of the locality or localities in which the PROJECT is situated or being carried out, who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of this PROJECT shall participate in any decision relating to this AGREEMENT which affects his personal interest or have any

personal or pecuniary interest, direct or indirect, in this AGREEMENT or the proceeds thereof.

22. OFFICIALS NOT TO BENEFIT - No member of or delegate to the Congress of the United States of America and no Resident Commissioner shall be admitted to any share or part hereof or to any benefit to arise therefrom.
23. CERTIFICATIONS - The GRANTEE certifies that it will comply with the following:
 - A. Freedom of Information Act;
 - B. Virginia Conflict of Interest Act; and
 - C. Virginia Fair Employment Contracting Act.
24. BENEFICIARIES - There are no third party beneficiaries of this contract. The provisions contained in these CONTRACT DOCUMENTS represent the entire AGREEMENT between DHCD and the GRANTEE. The provisions are designed to assist in meeting the community needs of the GRANTEE identified in the GRANTEE'S CIG proposal, but are not designed to accrue to the specific benefit of any individual person or entity residing or located in the GRANTEE'S community or elsewhere. Consequently, the terms of these CONTRACT DOCUMENTS may be enforced by DHCD or the GRANTEE exclusively and not by any individual person or entity residing or located in the GRANTEE'S community or elsewhere as a third-party beneficiary of this contract.

ASSURANCES/CERTIFICATIONS

The GRANTEE hereby assures and certifies that:

1. It possesses legal authority to execute the PROJECT.
2. Its governing body has duly adopted or passed as an official act a resolution, motion, or similar action authorizing the filing of the PROJECT proposal including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the GRANTEE to act in connection with the PROJECT proposal and to provide such additional information as may be required.
3. Its chief executive officer or other officer of GRANTEE approved by the Virginia Department of Housing and Community Development:
 - a. Consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 (NEPA) and other provisions of Federal law, as specified at 24 CFR 58.5(a) through (h) which further the purposes of NEPA insofar as the provisions of such Federal law apply to this Grant;
 - b. Is authorized and consents on behalf of the GRANTEE and himself to accept the jurisdiction of the Federal and Commonwealth of Virginia courts for the purpose of enforcement of his responsibilities as such an official.
4. It will comply with the regulations, policies, guidelines and requirements of the Code of Federal Regulations (24 CFR Part 85), OMB Circular A-128, and OMB Circular A-87 as they relate to the PROJECT, acceptance, and use of Federal funds under this Grant; and, as applicable, all State laws and administrative requirements which may supersede them (by virtue of being more stringent).
5. It will comply with the provisions of Executive Order 11988, relating to evaluation of flood hazards and Executive Order 12088 relating to the prevention, control and abatement of water pollution.
6. It will require buildings or facilities designed, constructed, or altered with funds provided under this Grant to comply with the "American Standard Specifications for Making Buildings and Facilities Accessible to, and Usable by, the Physically Handicapped," Number A-117.1-R 1980, or Uniform Federal Accessibility Standards (UFAS) in accordance with the Virginia Uniform Statewide Building Code. The GRANTEE will be responsible for conducting inspections to insure compliance with these specifications by the contractor.
7. It will not recover the capital costs for public improvements financed in whole or in part with CDBG funds through assessments against properties owned and occupied by low- and moderate- income persons nor will fees or assessments be charged to such persons as a condition of obtaining access to the public improvements. (Per section 104(b) (5) of Title I Housing and Community Development Act of 1974, as amended.)

8. In accordance with Section 104(l) of Public Law 93-383 the Housing and Community Development Act, as amended, certifies that: it has adopted and is enforcing a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations and a policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is subject of such nonviolent civil rights demonstration within its jurisdiction.
9.
 - a. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
 - b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
 - c. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

10. It will comply with:
 - a. Title VI of the Civil Rights Act of 1964 (Pub. L 88-352), and the regulations issued pursuant thereto (24 CFR Part 1), which provides that no person in the United States shall on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the grantee receives Federal financial assistance and will immediately take any measure necessary to effectuate this assurance. If any real property or structure thereon is provided or improved with the aid of Federal financial

- assistance extended to the grantee, this assurance shall obligate the grantee, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits.
- b. Title VIII of the Civil Rights Act of 1968 (Pub. L. 90-284), as amended, administering all programs and activities relating to housing and community development in a manner to affirmatively further fair housing; and will take action to affirmatively further fair housing in the sale or rental of housing, the financing of housing, and the provision of brokerage services.
 - c. Section 109 of Title I of the Housing and Community Development Act of 1974, as amended, and the regulations issued pursuant thereto (24 CFR Part 570.602), which provides that no person in the United States shall, on the grounds of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or part with funds provided under this Grant. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973 shall also apply to this Grant.
 - d. Executive Order 11063 on equal opportunity in housing and nondiscrimination in the sale or rental of housing built with Federal assistance.
 - e. Executive Order 11246, and the regulations issued pursuant thereto (41 CFR Chapter 60), which provides that no person shall be discriminated against on the basis of race, color, religion, sex or national origin in all phases of employment during the performance of Federal or federally assisted construction contracts. Contractors and subcontractors on Federal and federally assisted construction contracts shall take affirmative action to insure fair treatment in employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination, rates of pay or other forms of compensation and selection for training and apprenticeship.
 - f. Section 906 of Public Law 100-625 (Cranston-Gonzalez National Affordable Housing Act) which prohibits discrimination on the basis of religion or religious affiliation. No person shall be excluded from participation in, denied the benefit of, or be subjected to discrimination under any program or activity funded in whole or in part with CDBG funds on the basis of his or her religion or religious affiliation.
11. It will comply with Section 3 of the Housing and Urban Development Act of 1968, as amended, requiring that to the greatest extent feasible opportunities for training and employment be given to lower-income residents of the project area and contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part by, persons residing in the area of the PROJECT.

12. It will in the acquisition of real property and in the process of relocation:
- a. Be guided, to the greatest extent practicable under State law, by the land acquisition policies in Sections 301 and 302 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; as amended, and
 - b. Pay or reimburse property owners for necessary expenses as specified in Section 303 and 304 of the Uniform Act; and
 - c. Comply with the applicable Sections (202 through 205) of Title II (relocation assistance) of the Uniform Act in providing relocation payments and relocation assistance; and
 - d. Comply with U.S. Department of Transportation regulations at 49 CFR Part 24 and in implementing the requirements, it will:
 - i. Carry out the policies and procedures of Part 24 in a manner that insures that the acquisition and relocation processes do not result in different or separate treatment to persons on account of race, color, religion, sex, national origin, or source of income; and
 - ii. Assure that, within a reasonable period of time prior to displacement, comparable decent, safe and sanitary replacement dwellings will be available to all displaced families and individuals and that the range of choices available to such persons will not vary on account of race, color, religion, sex, national origin, or source of income; and
 - iii. Inform affected persons of their rights under the policies and procedures set forth under the regulations in Part 24, including their rights under Title VI of the Civil Rights Act of 1964 and Title VIII of the Civil Rights Act of 1968, as amended.
 - iv. Comply with Executive Order 12830, Governmental Actions and Interference with Constitutionally Protected Property Rights, and
 - e. It will implement and follow a "Residential Anti-Displacement and Relocation Assistance Plan," in accordance with Section 104(d) of the Housing and Community Development Act of 1974, as amended and 24 CFR Section 570.496 a(b).
 - f. It will comply with applicable Section 104(d) of the Housing and Community Development Act in providing relocation payments and relocation assistance.
13. PRIVATE GAIN - It will establish safeguards to prohibit employees from using positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.

14. It will comply with the provisions of the Hatch Act which limits the political activity of employees.
15. It will administer and enforce the provisions of the Davis-Bacon Act as amended and the Contract Work Hours and Safety Standards Act as set forth in the manual, Community Improvement Grant Management Manual.
16. It will give the Virginia Department of Housing and Community Development and the Comptroller General through any authorized representatives access to and the right to examine all records, books, papers, or documents related to the grant.
17. It will ensure that facilities under its ownership, lease or supervision which shall be utilized in the accomplishment of the PROJECT are not listed on the Environmental Protection Agency's (EPA) list of Violating Facilities and that it will notify the Virginia Department of Housing and Community Development of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating consideration for listing by the EPA.
18. It will comply with the flood insurance purchase requirements of Section 102 (a) of the Flood Disaster Protection Act of 1973, Pub. L. 93-234, 87 Stat. 975, approved December 31, 1973. Section 103 (a) required, on and after March 2, 1974, the purchase of flood insurance in communities where such insurance is available as a condition for the receipt of any Federal financial assistance for construction or acquisition purposes for use in any area, that has been identified by the Director of the Federal Emergency Management Agency as an area of having special flood hazards. The phrase "Federal financial assistance" includes any form of loan, grant, guaranty, insurance payment, rebate, subsidy, disaster assistance loan or grant, or any other form of direct or indirect Federal assistance.
19. It will, in connection with its performance of environmental assessments under the National Environmental Policy Act of 1969, comply with Section 106 of the National Historic Preservation Act of 1966 (16 U.S.C. 470), Executive Order 11593, and the Preservation of Archeological and Historical Data Act of 1966 (16 U.S.C. 469a-1, et. seq.) by:
 - a. Consulting with the State Historic Preservation Officer to identify properties listed in or eligible for inclusion in the National Register of Historic Places that are subject to adverse effects (see 36 CFR Part 800.8) by the proposed ACTIVITY; and
 - b. Complying with all requirements established by HUD and the Virginia Department of Housing and Community Development to avoid or mitigate adverse effects upon such properties.

20. It will implement all required actions to ensure compliance pursuant to 24 CFR Part 8, Nondiscrimination Based on Handicap in Federally Assisted Programs and Activities.

(Grantee Official)

Date

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Appendix 21

Record of Employees Hired and Referred

Employer: _____

CIG #: _____

Name	Social Security	Position #	Position/Job Title	Gender	Hispanic	Race*	SHH*	ELD*	DIS*	LMI*	Start Date	Date Terminated
1)												
2)												
3)												
4)												
5)												
6)												
7)												
8)												
9)												
10)												
11)												
12)												
13)												
14)												
15)												
16)												
17)												
18)												
19)												
20)												

*SHH--Single Head of household w/1 or more children under 19 yrs old; ELD--Person 62 years old or older; DIS--Person w/ a disability;

*LMI--Low-to moderate-income individual.

*Race--Classify as either as: **AI or AN** (American Indian or Alaskan Native), **A** (Asian), **B or AA** (Black or African American), **NH or OPI** (Native Hawaiian or other Pacific Islander), **W** (White), **AI or AN and W** (American Indian or Alaskan Native and White), **A and W** (Asian and White), **B or AA and W** (Black or African American and White), **AI or An and B or AA** (American Indian or Alaskan Native and Black or African American), or **Bal** (Balance of individuals reporting more than one race).

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CDBG Annual Activity and Beneficiary Report

Grantee: _____
 CIG#: _____

Reporting Period _____

Provide a brief description of each activity, being specific and quantitative (ie., number of linear feet, number of fire hydrants, number of houses, etc.). Provide the number and characteristics of all applicants for project benefits, proposed beneficiaries from your contract, and the actual beneficiaries from activities completed. For actual direct beneficiaries, such as housing and relocation activities, complete all LMI benefit columns. For other activities, complete the Total LMI column. Benefits and accomplishments are based on the reporting period and **are not cumulative**.

1. Activity _____ IDIS Activity #: _____

Accomplishments: _____

	Total Persons	LMI*				Must Equal Total Persons					Housing # of Units	Female Head of Hshld.	Elderly	Disabled
		0-30%	31-50%	51-80%	Total	White, Non-Hispanic	Black, Non-Hispanic	Hispanic	American Indian or Alaska Native	Asian or Pacific Islander				
Applicants														
Proposed Beneficiaries														
Actual Beneficiaries														

2. Activity _____ IDIS Activity #: _____

Accomplishments: _____

	Total Persons	LMI*				Must Equal Total Persons					Housing # of Units	Female Head of Hshld.	Elderly	Disabled
		0-30%	31-50%	51-80%	Total	White, Non-Hispanic	Black, Non-Hispanic	Hispanic	American Indian or Alaska Native	Asian or Pacific Islander				
Applicants														
Proposed Beneficiaries														
Actual Beneficiaries														

3. Activity _____ IDIS Activity #: _____

Accomplishments: _____

	Total Persons	LMI*				Must Equal Total Persons					Housing # of Units	Female Head of Hshld.	Elderly	Disabled
		0-30%	31-50%	51-80%	Total	White, Non-Hispanic	Black, Non-Hispanic	Hispanic	American Indian or Alaska Native	Asian or Pacific Islander				
Applicants														
Proposed Beneficiaries														
Actual Beneficiaries														

* Note: Extremely Low-Income (0-30%) and Very Low-Income (31-50%) information may not be available for proposed beneficiaries.

Project Administrator

Title

Date

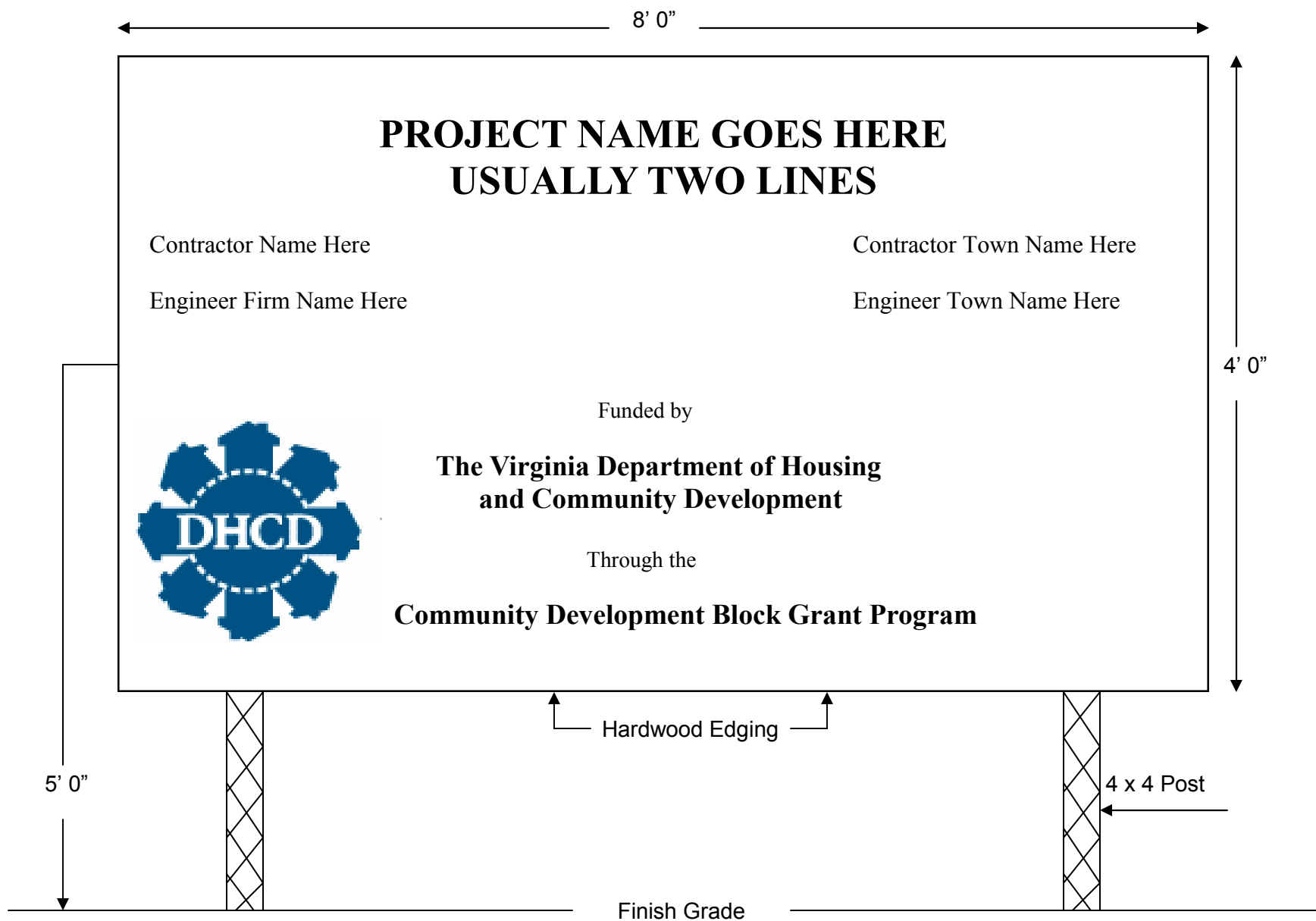
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Department of Housing and
Community Development

- Dimensions are as per attached schematic
- Material can be plywood or other firm material that will withstand wind and moisture without warping
- **Sign should be erected perpendicular to the adjacent road**
- Sign may be painted front and back if community desires
- Background should be white
- Lettering should be a medium shade of blue (such as royal)
- An electronic copy of DHCD's logo is available from your Community Representative

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Each file should be coded by category (A or B), by project year (200_) and by a numeric listing for each file. Each file should be labeled as a Community Improvement Grant file. Using this system, the following is a list of the files and contents. **These files must be kept at the Grantee's offices and maintained for a minimum of five (5) years from final closeout or a period required by other applicable statutes.**

Category A: Grant Files

A200_-1 Grant Proposal

- Grant Proposal and any amendments and revisions to it
- Prior-authorization to incur pre-contract costs, if applicable
- Records/Correspondence regarding grant contract negotiations

A200_-2 CDBG Grant Agreement and Service Contracts

- CDBG Grant Agreement and any amendments
- Professional and Non-Professional Service Contracts and any amendments
- Industry Development Agreements
- Cost Participation Agreements
- Local Interagency Agreements

A200_-3 Financial Management

- Resolution(s) to appropriate CDBG funds
- Record of Commitment of all leverage funds
- Certification of Signatures and Address
- Copy of all Drawdown Requests for Payment and Support Forms
- Accounting Reports
- Source documentation for both CDBG and leverage expenditures as outlined in the "Recordkeeping" section of Chapter 5: Financial Management
- Proof of leverage funds being spent proportionally with CDBG
- Use of Program Income
- Force account approval, fringe rate plan, individual timesheets and summary reports, expenditures, equipment logs and VDOT equipment use rates

NOTE: Financial records may be in a location other than the Grant Administrator's office, i. e., the Treasurer's office, especially the accounting books which shall be secured in the Grantee's safe.

- A200_-4 Grant Administration
- Project Budget and any revisions
 - Project Management Plan and any revisions
 - Program Income Plan and any revisions
 - Monthly Updates
 - Annual Activity and Beneficiary Reports
 - Annual Expenditure Reports
 - Procurement Policy and Procedures, including written small purchases procedures
- A200_-5 Citizen Participation
- List of citizens groups to whom information and notices were disseminated
 - Proof of advertisement for the two required public hearings
 - Minutes of the required public hearings
 - List of persons attending required public hearings and any handouts, etc., provided at each hearing
 - Description of any accommodations made to facilitate the needs of disabled persons at the required public hearings
 - Documentation that project-specific information requirements were met
 - Copy of adopted Complaints and Appeals procedure
 - Copy of any written complaints and appeals received, responses within 15 days, and proof of final resolution for each one
- A200_-6 Equal Opportunity
- Copy of adopted Local Business and Employment Plan
 - Proof of advertisement soliciting project area businesses and workers for procurement and employment opportunities
 - Names, addresses, businesses or trades of respondents to local business and employment solicitation
 - Proof of advertisement soliciting minority and female-owned businesses, contractors and suppliers
 - Names of project area businesses awarded a contract and total \$ amount of said contracts
 - Names, addresses and businesses of respondents to solicitation for minority and female-owned businesses, contractors and suppliers
 - Names of minority and female-owned businesses awarded a contract and total \$ amount of said contracts
 - Copy of signed Non-discrimination Policy
 - Copy of Section 504 Self-Evaluation and Needs Assessment and proof of advertisement
 - Copy of adopted grievance procedure

A200_-7 Benefits

- Copy of mandatory hook-up ordinance, if applicable
- Copy of User Agreements, if applicable
- Self certification or verification of LMI status
- Declination statements
- Initial survey forms and map
- Map Showing the Location Of All Addresses Along Any Water And Sewer Lines, Keyed to LMI/Non-LMI Status and Hooked Up/Not Hooked Up Status.
- Demographic profile of the locality, applicants for, participants in, or beneficiaries of the program, and of the project area by minority status, female- and elderly-headed households, race, ethnicity, gender and disability

A200_-8 Fair Housing

- Copy of signed Fair Housing Certification
- Documentation of fair housing activity undertaken in each project year that the CIG is active

A200_-9 Environmental Review Record

- Copy of Environmental Review Record
- Level of Clearance Findings for each activity
- Copy of letters to, and clearances from Department of Historic Resources, Virginia Research Center for Archeology and other appropriate State agencies
- Copy of Notice of Finding of No Significant Impact with Proof of Publication
- List of individuals/organizations to which Notice of Finding was sent
- Copy of Notice of Intent to Request Release of Funds and Proof of Publication
- Copy of letter claiming determination of exemption or categorical exclusion, if appropriate
- Copy of Request for Release of Funds and Certification
- Floodplain and wetlands compliance, if appropriate

A200_-10 Compliance Reviews

- DHCD letters of findings, outlining findings, concerns, recommendations and interpretations
- Grantee's responses to DHCD's letters of findings
- Other correspondence regarding compliance reviews

- A200_-11 Project Close-Out
- Final reports from Engineer
 - Certificate of Completion and evidence of disposition of third party claims
 - DHCD's Letter of Conditions
 - Copy of executed Final Closeout Reports
 - Administrative, Conditional and Final Closeout letters from DHCD
- A200_-12 Audit
- Engagement Letter for Independent Public Accountant
 - Annual and Final Audits and documentation that audit findings are cleared
 - Acknowledge of Receipt and Approval of Audits Letters from DHCD
- A200_-13 Anti-Displacement
- Copy of Anti-Displacement and Relocation Assistance Plan
- A200_-14 General Correspondence
- Correspondence, incoming and outgoing that does not fall into one of the above categories or into the project file category.

Category B: Project Files

Category B files are established based on the type of project to be accomplished by the grant. Since there will be a variety of project types that will require different file information each basic type is presented below:

- B200_-1 Professional Services - A/E contract file
- Proof of advertisement of Notice
 - Copy of RFP
 - Copy of all Qualification Statements and proposal(s) received
 - List of selection committee members
 - Evaluation criteria used
 - Ranking of proposals received
 - Negotiation summaries
 - Fee basis and justification
 - Requests for payments and supporting documentation
 - Community Improvement Grant Disclosure Statements
 - Rationale for any contract amendments

- B200_-2 Construction Contract File (By Name of Activity)
- Preliminary Design and Cost Estimates
 - Final Design Documents and Cost Estimates
 - Evidence that all necessary land or easement acquisition has been completed prior to advertising for bids
 - Proof of advertisement of Invitation to Bid
 - Bid Documents and Instruction to Bidders
 - Pre-bid Conference minutes and any addenda issued
 - Minutes of public bid opening
 - Bids, bid receipt dates and tabulations
 - Contractors Statement of Qualifications
 - Recommendation for Award
 - Verification of low bidder's eligibility (not on debarred list)
 - Award of Contract and Notice of Award of Contract to DOL.
 - Contract Documents
 - Performance Bond/Certification of Insurance
 - Community Improvement Grant Disclosure Statements
- B200_-3 Construction Management File (by construction contract)
- Minutes of Pre-construction Conference
 - Notice to Proceed with Construction
 - Weekly Inspection Reports (required for resident inspection)
 - Requests for payments and supporting documentation
 - Change Orders and justifying documentation
 - Substantial Completion Inspection Report
 - Final Punch List
 - Final Inspection and Certification by design professional
 - Acceptance by Owner
 - Record Drawings
 - Warranties and guarantees
- B200_-4 Labor Standards by Contractor or Subcontractor
- Wage Decisions and any modifications
 - Labor Standards Checklist
 - Copy of contractor's apprenticeship program from the Division of Apprenticeship Training, if applicable
 - Weekly Payroll Reports and Statements of Compliance
 - Requests for Additional Job Classifications
 - Authorizations of Employee Deductions
 - Records Of Employee Interviews
 - Log of Payroll Reports
 - Log for Reviewing Employees

B200_-5 Equal Opportunity /Local Business and Employment

- Contractor's and subcontractor's Compliance Statements Certification regarding EEO
- Equal Opportunity Checklist
- Registers of Assigned Employees
- Monthly Registers of Contractors, Subcontractors, and Suppliers by each entity, including the Grantee

B200_-6 Property Acquisition

Property Acquisition requires a separate file for each property acquired. See also Appendix 43: General Acquisition File Checklist. The file label would identify the file by category (B), the year, and a letter to identify it as an acquisition (a), followed by the name of the owner or the address of the property. The contents of each file must include:

- Record form indicating the project name and number, parcel number for the real property, and name of each owner and tenant.
- Copy of the Appraisal agreement.
- Copy of the Preliminary Acquisition Notice and *When a Public Agency Acquires Your Property* brochure.
- Evidence of receipt by Owner(s) of Preliminary Acquisition Notice and *When a Public Agency Acquires Your Property* brochure.
- Evidence of donation and waiver of right to appraisal and all relevant and supporting documentation, as applicable.
- Invitation to Accompany Appraiser.
- Evidence receipt by Owner(s) of Invitation to Accompany Appraiser.
- Copy of Appraisal Report and Determination Of Fair Market Value
- Copy of Review Appraisal Report and Document Establishing Just Compensation.
- Copy of Written Purchase Offer and evidence of date of delivery to Owner(s)
- Copy of any purchase agreement, deed, declaration of taking, waiver, or related document involving the conveyance, including canceled check
- Copy of Statement of Settlement Cost.
- Evidence that owner received purchase price.
- Evidence of conveyance of the property to the Grantee.
- Copy of any appeal concerning a payment, together with a copy of all pertinent determination and other relevant documentation.
- If acquisition terminated, copy of Notice of Intent Not to Purchase
- Evidence of receipt by Owner(s) of Notice of Intent Not to Purchase.

- Copy of condemnation proceedings, if applicable, and settlement.

B200_-7 Relocation

Relocation requires a separate file for each displaced/relocated person or family. Individual files must contain specific items as required in Appendix 43-D: Relocation File Checklists. The project file label would identify the file by category (B), the year, and a letter to identify it as a relocation file (r), followed by the name of the person or family relocated.

B200_-8 Non-Professional Services--Rehab Specialist or Management Consultant file

- Proof of advertisement of Notice
- Copy of RFP
- Copy of all Qualification Statements and proposal(s) received
- List of selection committee members
- Evaluation criteria used
- Ranking of proposals received
- Negotiation summaries
- Fee basis and justification
- Community Improvement Grant Disclosure Statements
- Rationale for any contract amendments

B200_-9 Housing Projects

Housing Rehabilitation requires a separate file for each unit receiving assistance for rehabilitation, bathroom or utility connection. They must contain specific items as required in Appendix 25: Rehab File Checklist. In addition, the project file must contain:

- Copy of Program Design and evidence of formal adoption by the local governing body
- Housing Rehabilitation Oversight Board Membership, Operating Procedures and Minute Meetings which approve applicants, contractors, award of construction contracts and complaint resolution
- Copy of Risk Assessor License
- Proof of advertisement to pre-qualify Contractors
- Contractor's Qualification Statements and verification, including Lead Safe Work Practices training
- Community Improvement Grant Disclosure Statements
- Bid Phase Invitations, Bid Tabs, and Notice of Bid Awards
- Data on the number of bid cycles, dates of bid openings, and the number of bidders who responded to each cycle
- Data on the Application and Construction Demographic Profile
- Landlord Rental Commitments and Proof of Recordation

- Copies of HMEP agendas and sign-in sheets

B200_-10 Job Creation and Retention

- Job Descriptions
- Proof of Required Benefits Package
- Monthly Referral Reports From Referring Agency
- Record of Employees Hired and Referred

B200_-11 Downtown Projects

- Copy of Program Design and evidence of formal adoption by the local governing body
- Copy of Blight Identification and Removal or Remediation Plan
- Oversight Board Membership, Operating Procedures and Meeting Minutes which approve applicants, contractors, award of construction contracts and complaint resolution
- Proof of advertisement to Pre-qualify Contractors
- Contractor's Qualification Statements and verification, including Lead Safe Work Practices training
- Community Improvement Grant Disclosure Statements
- Bid Phase Invitations
- Bid Opening Summaries
- Notice of Bid Awards
- Data on the number of businesses assisted by, and participated in, façade improvements or renovation improvements
- Data on the total amount of private investment expended and copies of supporting source documentation or an IPA statement

B200_-12 Microenterprise Projects

- Copy of Program Design and evidence of formal adoption by the local governing body
- Data on the number of loans made, the number of defaults, and the number of hours of business training provided

B200_-13 Community Service Facilities Projects

- Copy of Staffing and Operations Plan
- Copy of any agreements with service providers

B200_-13 Telecommunications Projects

- Copy of Community Telecommunications Plan
- Copy of Business Plan for the network
- Copy of any agreements with service providers

CDBG_____ IPR_____

Homeowner:_____ Occupant:_____

Street
Address:_____ File#:_____

1. Application for Assistance/Ranking Sheet _____
2. Financial Information
 - a. Verification of Income _____
 - b. Verification of Assets _____
 - c. Verification of Rent (CDBG only) _____
 - d. Ability-to-pay Form _____
 - e. Loan Repayment Calculation Form _____
3. Verification of Ownership of Property (Deed) _____
4. Historic Resources Clearance/Statutory Checklist (IPR only) _____
5. DHCD HQS/Section 8 Inspection Reports
 - a. Before Construction Date_____ By whom? _____ PA _____
Date_____ By whom? _____ RS _____
 - b. After Construction Date_____ By whom? _____ RS _____
6. Blower Door Test
 - a. Before Construction Date_____ _____
 - b. After Construction Date_____ _____
7. Inspection/Treatment Reports
 - a. Exterminator _____
 - b. Electrical _____
 - c. Chimney _____
 - d. Rehab Specialist Inspection & Payment Reports _____
8. Write-up and Cost Estimates. _____
 - a. Base Amount \$ _____
 - b. Exceptions \$ _____ \$ _____ \$ _____ \$ _____
 - c. Demolition \$ _____

9. Bid Tabulation Sheet
 - a. Accepted Bid _____
 - b. Bid Approval Date _____ Low Bid Amount \$ _____
10. Temporary Relocation Agreement and documentation _____
11. IPR Set-up form & Project Cost Worksheet—set-up amount \$ _____
(N/A to CDBG Projects)
12. Construction Contract: Amount \$ _____
 - a. 3-Party: Owner/Grantee/Contractor **OR** _____
 - b. 2-Party: Owner or Grantee/Contractor and Contractor/Grantee _____
 - c. Attached Federal Construction Contract Language _____
 - d. Notice of the Presumption of Lead _____
 - e. Confirmation of Receipt of LBP pamphlet
Protect Your Family From Lead (pre-1978 only) _____
13. Legal Documents
 - a. Landlord Rental Commitment (CDBG only) _____
 - b. Landlord/Tenant Agreement or Lease (CDBG only) _____
 - c. Deed of Trust Note or Promissory Note _____
 - d. Deed of Trust/Lien _____
 - e. Notice of Right to Cancel _____
 - f. Truth in Lending Disclosure Statement _____
 - g. Acknowledgement of Receipt of ECOA Notices and Disclosures _____
 - h. Recordation Receipt for Deed of Trust _____
14. Permits
 - a. Building Permit _____
 - b. Health Permit (well and/or septic) _____
15. Approved Contractor Pay Requests _____
16. Change Orders
 - a. Approved by Owner, Rehab Specialist, Program Administrator & DHCD _____
 - b. Number of COs _____
 - c. Total Amount \$ _____
17. Lead Related Reports
 - a. Documentation of Lead Inspector/Risk Assessor License _____
 - b. Documentation of Contractor and Crew training in Lead Safe
Work Practices _____
 - c. LBP Clearance Examination Reports w/lab analysis attached _____
 - d. LBP Hazard Reduction Completion Notice _____
18. Warranties (Appliances and Materials) _____

- 19. Contractor's paper work
 - a. Affidavit of Release of Liens _____
 - b. Affidavit of Payment of Debts and Claims _____
 - c. Register of Contractors, Subcontractors and Suppliers _____
- 20. Occupant Signed Home Maintenance Education Certificate _____
- 21. Final Release by Homeowner _____
- 22. Documentation of Homeowners/Hazard Insurance _____
- 23. Cost Breakdown for Construction and Non-construction Costs _____
Include sources of funds for all items
- 24. Loan Servicing Records (repayment history, delinquent notices, etc.) _____

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Explanation of Drawdown Request form

The CDBG Drawdown Request form is a standard state invoice that has been preprinted to make it as simple as possible to complete. **The Drawdown Request form must be on blue paper with the information typed or printed in black ink. The signature must be in blue ink. The form must be complete and correct before it will be accepted.**

1. Vendor ID #- Enter the Grantee's Federal Identification Number (FIN), including the two-digit ETF suffix number if applicable, for the CDBG account. This information is required to process your drawdown request.
2. Name & Address - **Type the Grantee's name and address exactly as shown on the Certification of Signatures and Address.**
3. Request # - Enter the appropriate payment request number. Each Drawdown Request form must be numbered consecutively starting from 1 (one).
4. Contract # - Enter the CIG contract number.
5. Project Name - Enter title of project as it appears on the DHCD Grant Agreement.
6. Payment Request Covers Expenditures Through - Enter the estimated date that all funds requested will be expended, or, in the case of reimbursement, were expended.
7. Authorized Signature - **One of the two or more individuals certified as authorized to sign payment requests for the Grantee must sign this invoice.** The date submitted line must be completed.
8. Total Amount - **This is the amount being requested to cover current expenses. All requests, except the final one, must be for at least \$5,000.** The distribution of the total amount will be shown on the drawdown support form.
9. Drawdown Support Form – **This form must be submitted with every drawdown request.** It reflects the amount of CDBG funds being requested per line item for current expenses and the cumulative amount of funds requested for each line item.

Submit the original completed form to:

VA Dept of Housing & Community Development
Project Management Office
501 N 2nd St
Richmond VA 23219-1321

Once DHCD has approved the Drawdown Request for processing, a copy is sent to the Grantee's certified address (given in the 'Name & Address' Section of the form) as notification that State processing of the payment request has commenced. **If you do not receive payment within 21 days, contact your Community Representative.**

ACCOUNTING VOUCHER

AGENCY NAME/DELIVERY ADDRESS Department of Housing & Community Development Project Management Office 501 North Second Street Richmond, Virginia 23219										CONTRACT NUMBER		DATE OF HUD REQUEST		REP APPROVAL			
										DATE RECEIVED		BID REF./REQUISITION NO.			TERMS P.O.		
										TFS#							
										VENDOR INVOICE NO.		DUE DATE MO DAY YR		STATE REF NO. OR P.O. NO.		AMOUNT PAID	
MUST BE DELIVERED BY					INSIDE DELIVERY <input type="checkbox"/> S (IF CHECKED)												
Name:																	
Address:																	
City:																	
State:				Zip						VOUCHER NUMBER AND DATE				TOTAL AMOUNT PAID			
Vendor ID:						Suffix											
PLEASE BE SURE TO INCLUDE ZIP CODE IN ALL ADDRESSES																	
INVOICE TO ADDRESS																	
										GRANTEE NAME				P.O. NUMBER			
										INTRA-AGENCY CONTACT Todd Christensen				TELEPHONE (804) 371-7061			

DESCRIPTION										ACTIVITY				AMOUNT			
CDBG PAYMENT REQUEST														\$			
Request # _____																	
Contract # _____																	
Project Name _____																	
Payment covers expenditures through _____																	
I certify this request is in accordance with terms and conditions of the referenced contract. The amount is correct and not in excess of current needs.																	
Authorized Signature _____ (blue ink only)																	
Date Submitted _____																	
Payment Approved _____ DHCD Project Management Office																	
										TOTAL AMOUNT							

I certify that the P. O. Receiving Report (if applicable), Invoice, and Voucher are in agreement with the merchandise or service being Paid for; and further, that computations and coding on the Voucher are correct and discounts taken are proper.

TRANS	AGENCY	GLA	FUND		FFY	PROGRAM			OBJECT	REVENUE SOURCE	AMOUNT				PROJECT		
			FUND	DET		PROG	SUB	ELE			PROJECT	TK	PH				
325	165		10	00		533	05	00	1431					5079			
COST CODE	FIPS	PSO	DRAWDOWN NUMBER			INVOICE				DUE DATE				REFERENCE DOC			
35						DATE				NUMBER				NUMBER SX			
DESCRIPTION						CURRENT DOCUMENT		SUBSIDIARY ACCOUNT		MULTI-PURPOSE		1099		CHECK IF <input type="checkbox"/> CONTINUATION SHEET ATTACHED			
CDBG REQUEST #						NUMBER SX											

Explanation of Drawdown Support Form

The drawdown support form provides the following information:

1. Column 1 contains the budget activity and the individual line items associated with the activity, if applicable.
2. Column 2 contains the IDIS activity number. (DHCD will provide this number when your project is set up in the IDIS system, after receipt of the first drawdown request.
3. Column 3 contains the CDBG budget amount for each individual line item associated with the activity and a subtotal for the activity.
4. Column 4 contains the CDBG amount being requested for the drawdown by each individual line item and a subtotal of the amount being drawn for the activity.
5. Column 5 contains the cumulative amount drawn for each individual line item and a subtotal of the amount that has been drawn for the activity. This amount includes the amount being requested.
6. Column 6 contains the percentage amount drawn for each individual line item and subtotal. The percentage is calculated by dividing the cumulative amount drawn by the CDBG budget amount for each individual line item.
7. The total line contains the budget total, drawdown total, cumulative total, and percentage total.
8. The bottom line is used for tracking and reporting program income earned. The amount shown on the bottom line in column 4 is the amount of program income earned during the drawdown period. The amount shown on the bottom line in column 5 is the cumulative amount of program income that has been earned during the entire grant period.

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DRAWDOWN SUPPORT FORM
ANYTOWN CIG #04-88
WESTOWN NEIGHBORHOOD IMPROVEMENTS PROJECT
DRAWDOWN #1 - SEPTEMBER 5, 2004

1 ↓	2 ↓	3 ↓	4 ↓	5 ↓	6 ↓
LINE ITEM	IDIS #	CDBG BUDGET	DRAWDOWN #1	CUMULATIVE	CUMULATIVE PERCENTAGE
ADMINISTRATION	4094				
Execution of DHCD Contract		11,100.00	11,100.00	11,100.00	100%
Execution of 10 Project Contracts		14,800.00	4,440.00	4,440.00	30%
Contract Monitoring		25,900.00	0.00	0.00	0%
Construction Completion		18,500.00	0.00	0.00	0%
Administrative Project Closeout		3,700.00	0.00	0.00	
Cash on Hand		0.00	1,000.00	1,000.00	
Subtotal		74,000.00	16,540.00	16,540.00	22%
INTERIM ASSISTANCE	4095	2,200.00	100.00	100.00	5%
CLEARANCE & DEMOLITION	4096	46,090.00	0.00	0.00	0%
SEWER	4097				
Construction		81,130.00	10,000.00	10,000.00	12%
Engineer		6,950.00	1,000.00	1,000.00	14%
Inspection		5,244.00	500.00	500.00	10%
Subtotal		93,324.00	11,500.00	11,500.00	12%
SINGLE FAMILY REHABILITATION	4098				
Owner Construction		44,520.00	10,000.00	10,000.00	22%
Renter Construction		122,500.00	0.00	0.00	0%
Rehabilitation Specialist		18,372.00	1,100.00	1,100.00	6%
Subtotal		185,392.00	11,100.00	11,100.00	6%
SUBSTANTIAL RECONSTRUCTION	4099				
Construction		79,000.00	10,000.00	10,000.00	13%
Rehabilitation Specialist		8,690.00	1,100.00	1,100.00	13%
Subtotal		87,690.00	11,100.00	11,100.00	13%
STREETS	4100				
Construction		289,020.00	20,000.00	20,000.00	7%
Engineer		20,520.00	2,000.00	2,000.00	10%
Inspection		20,080.00	1,000.00	1,000.00	5%
Subtotal		329,620.00	23,000.00	23,000.00	7%
WATER	4101				
Construction		44,500.00	10,000.00	10,000.00	22%
Engineer		4,000.00	1,000.00	1,000.00	25%
Inspection		4,000.00	500.00	500.00	13%
Subtotal		52,500.00	11,500.00	11,500.00	22%
TOTAL	7 ←	870,816.00	84,840.00	84,840.00	10%
ACTIVE PROGRAM INCOME	8 ↖	0.00	200.00	200.00	

NOT USED WITH PLANNING GRANTS AS THEY ARE FUNDED AND DRAWN UNDER ONE ACTIVITY

DRAWDOWN SUPPORT FORM
ANYTOWN CIG #04-88
WESTOWN NEIGHBORHOOD IMPROVEMENTS PROJECT
DRAWDOWN #1 - OCTOBER 5, 2004

LINE ITEM	IDIS #	CDBG BUDGET	DRAWDOWN #2	CUMULATIVE	CUMULATIVE PERCENTAGE
ADMINISTRATION	4094				
Execution of DHCD Contract		11,100.00	0.00	11,100.00	100%
Execution of 10 Project Contracts		14,800.00	1,480.00	5,920.00	40%
Contract Monitoring		25,900.00	0.00	0.00	0%
Construction Completion		18,500.00	0.00	0.00	0%
Administrative Project Closeout		3,700.00	0.00	0.00	
Cash on Hand		0.00	0.00	1,000.00	
Subtotal		74,000.00	1,480.00	18,020.00	24%
INTERIM ASSISTANCE	4095	2,200.00	200.00	300.00	14%
CLEARANCE & DEMOLITION	4096	46,090.00	5,550.00	5,550.00	12%
SEWER	4097				
Construction		81,130.00	20,000.00	30,000.00	37%
Engineer		6,950.00	0.00	1,000.00	14%
Inspection		5,244.00	0.00	500.00	10%
Subtotal		93,324.00	20,000.00	31,500.00	34%
SINGLE FAMILY REHABILITATION	4098				
Owner Construction		44,520.00	0.00	10,000.00	22%
Renter Construction		122,500.00	0.00	0.00	0%
Rehabilitation Specialist		18,372.00	0.00	1,100.00	6%
Subtotal		185,392.00	0.00	11,100.00	6%
SUBSTANTIAL RECONSTRUCTION	4099				
Construction		79,000.00	10,000.00	20,000.00	25%
Rehabilitation Specialist		8,690.00	1,100.00	2,200.00	25%
Subtotal		87,690.00	11,100.00	22,200.00	25%
STREETS	4100				
Construction		289,020.00	40,000.00	60,000.00	21%
Engineer		20,520.00	0.00	2,000.00	10%
Inspection		20,080.00	2,800.00	3,800.00	19%
Subtotal		329,620.00	42,800.00	65,800.00	20%
WATER	4101				
Construction		44,500.00	20,000.00	30,000.00	67%
Engineer		4,000.00	0.00	1,000.00	25%
Inspection		4,000.00	1,800.00	2,300.00	58%
Subtotal		52,500.00	21,800.00	33,300.00	63%
TOTAL		870,816.00	102,930.00	187,770.00	22%
ACTIVE PROGRAM INCOME		0.00	200.00	200.00	

NOT USED WITH PLANNING GRANTS AS THEY ARE FUNDED AND DRAWN UNDER ONE ACTIVITY

Explanation of Form

The Certified Signatures and Address Form is required for DHCD to process requests for payments (drawdowns). It must be filled out by the grantee's chief administrative official. The form must be received by DHCD prior to the Grantee's first draw down. Resubmittal of the Certification is required if **either** the certified signatures or certified address change, for DHCD to process any new payment requests.

At least **four different persons must sign this Certification:**

1. The certifying local chief executive;
2. The notary public; and
3. The two (2) persons authorized to sign payment requests.

The Grantee may authorize more than two signatures, if desired. The authorized signatures must be typed (or printed) **and** signed.

It is of utmost importance that the certified address include the correct content and be in the required format. The format restrictions (listed below) were made by the Virginia Department of Accounts, and failure to conform to their format may delay processing of payment requests. Funds can **only be paid or transferred to the Grantee locality**. Checks may not be paid or transferred to any third parties.

Format and content requirements for the **Certified Address:**

1. Maximum 4 lines. Up to 40 characters, including spaces, in line 1. Up to 32 characters in lines 2 and 3.
2. Use no punctuation and abbreviate words whenever possible. Abbreviate Virginia as **VA**, Street as **ST**, Post Office Box as **P O BOX**, and use initials instead of the full name (e.g., Mary Hart, Treasurer as **M HART TREAS**). Delete all extraneous words and symbols that do not affect delivery or Grantee processing of the payment.
3. **PAYEE** - must name grant **locality** first and, space permitting, may also include the project name. The locality must be listed with **name first and 'County' 'City' or 'Town' after** (e.g. Town of Grantsburg is shown as Grantsburg Town).
4. **ADDRESS** - checks may be sent to either a local government address or directly to a bank for deposit.

Federal Identification Number (Fin): is required by the Virginia Department of Accounts and draw downs will **not** be processed without this number. Be sure to use the FIN and your suffix number that applies to your **CDBG** bank account.

Virginia Department of Accounts has instituted electronic transfer to the locality's general funds account. Be sure to use the suffix number assigned by the Virginia Department of Accounts for your CDBG electronic transfer to ensure that your funds are deposited to the correct account.

Electronic Transfer and Debt Off-Set

The Commonwealth will transfer the CDBG amount requested via an electronic transfer according to the agreement set up between the Locality and the Department of Accounts. This agreement will need to be reviewed before your first draw down to insure that the transfer will be made to the correct bank account, or revised to include your new CDBG checking account.

A transfer can be made to a separate account by having the Department of Accounts add a “suffix” to your Federal Identification Number. To have drawdowns deposited to separate accounts, complete the Electronic Transfer forms available at the Virginia Department of Accounts website, www.doa.state.va.us. Click on the EDI button on the left side of your screen. These forms can be faxed to the General Account Unit, Virginia Department of Account General Accounting, at (804) 225-4250 or mailed to P. O. Box 1971, Richmond, VA 23215-1971. Call 804-225-3164 if you have any questions.

If the amount received is higher than the amount requested, there is probably a second or third non-CDBG transfer being made at the same time. Each Grantee should be receiving a “remittance advice” for each component of the transfer and these could be used to reconcile the total transfer.

If the transfer is for an amount less than requested, in most cases, the Department of Taxation has captured all or part of the transfer within the Debt Off-Set program. In other words, your locality was showing on their list as owing the state money, and the CDBG transfer was captured to fulfill that debt.

Please note that the full amount of the CDBG drawdown must be deposited. Should all or part of a drawdown go to satisfy an outstanding obligation with the state, the locality must make up the difference out of their own funds, or be subject to an interest penalty.

CERTIFICATION OF SIGNATURES AND ADDRESS

CDBG COMMUNITY IMPROVEMENT GRANT # _____

_____, being first duly sworn, does hereby certify that _____ is the Chief Administrative Officer of _____ and that only the following named individuals are authorized to sign requests for CDBG Community Improvement Grant funds from the Department of Housing and Community Development, Project Management Office:

Name (please type)

Signature

Name (please type)

Signature

The affiant does further state that all payments made by the Department of Housing and Community Development pursuant to CDBG Community Improvement Grant # _____ should be made only to the named payee and address below, which payee the affiant hereby certifies to be authorized to receive such funds at the address below:

PAYEE (Grantee): _____

Address: _____

City, State, Zipcode: _____

CERTIFIED by:

Signature of Chief Administrative Officer

Title

The Federal Identification Number (FIN) for this account is: _____ - _____. Sworn and subscribed before me, a Notary Public, in and for the Commonwealth of Virginia, this _____ day of _____, 200 .

Address: _____

Notary Public

My commission expires: _____

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Budget Revision Worksheet

BUDGET LINE ITEM	Current CDBG	Proposed CDBG	+/- Change CDBG	Current Non-CDBG	Proposed Non-CDBG	+/- Change Non-CDBG
ADMINISTRATION						
Execution of DHCD Contract						
Execution of Project Contracts						
Contract Monitoring						
Construction Completion						
Administrative Project Closeout						
Cash on Hand						
Subtotal						
INTERIM ASSISTANCE						
CLEARANCE & DEMOLITION						
SEWER						
Construction						
Engineer						
Inspection						
Subtotal						
SINGLE FAMILY REHABILITATION						
Owner Construction						
Renter Construction						
Rehabilitation Specialist						
Subtotal						
SUBSTANTIAL RECONSTRUCTION						
Construction						
Rehabilitation Specialist						
Subtotal						
STREETS						
Construction						
Engineer						
Inspection						
Subtotal						
WATER						
Construction						
Engineer						
Inspection						
Subtotal						
TOTAL						

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